

HOUSE JOURNAL

SEVENTY-EIGHTH LEGISLATURE, REGULAR SESSION

PROCEEDINGS

SEVENTY-EIGHTH DAY — MONDAY, MAY 26, 2003

The house met at 10 a.m. and was called to order by the speaker.

The roll of the house was called and a quorum was announced present (Record 725).

Present — Mr. Speaker; Allen; Alonzo; Bailey; Baxter; Berman; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Burnam; Callegari; Campbell; Canales; Capelo; Casteel; Castro; Chavez; Chisum; Christian; Coleman; Cook, B.; Cook, R.; Corte; Crabb; Crownover; Davis, J.; Davis, Y.; Dawson; Delisi; Denny; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Eiland; Eissler; Elkins; Ellis; Escobar; Farabee; Farrar; Flores; Flynn; Gallego; Garza; Gattis; Geren; Giddings; Goodman; Goolsby; Griggs; Grusendorf; Guillen; Gutierrez; Haggerty; Hamilton; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hilderbran; Hill; Hochberg; Hodge; Homer; Hope; Hopson; Howard; Hughes; Hunter; Hupp; Isett; Jones, D.; Jones, E.; Jones, J.; Keel; Keffer, B.; Keffer, J.; King; Kolkhorst; Kruse; Kuempel; Laney; Laubenberg; Lewis; Mabry; Madden; Marchant; Martinez Fischer; McCall; McClendon; McReynolds; Menendez; Mercer; Merritt; Miller; Moreno, J.; Moreno, P.; Morrison; Mowery; Naishtat; Nixon; Noriega; Oliveira; Olivo; Paxton; Peña; Phillips; Pickett; Puente; Quintanilla; Raymond; Reyna; Riddle; Ritter; Rose; Seaman; Smith, T.; Smith, W.; Smithee; Solis; Solomons; Stick; Swinford; Talton; Taylor; Telford; Thompson; Truitt; Uresti; Van Arsdale; Villarreal; West; Wilson; Wise; Wolens; Wong; Woolley; Zedler.

Absent, Excused, Committee Meeting — Heflin; Luna; Pitts; Turner; Wohlgemuth.

Absent — Rodriguez.

The invocation was offered by Reverend Art G. Severance, pastor, First Unitarian Universalist Church, San Antonio, as follows:

O Holy One, you of many names and faiths and places, we come before you asking your blessing as well as forgiveness. We ask for inspiration, for the courage and the strength to do as all your religions tell us—to bring health to the sick, to help the poor and underprivileged, to house the homeless, to do justice, to share with one another even as we love one another, even when it isn't politically expedient.

We remember those who served this country to keep us free. Spirit of life and love, remind us that we are all brothers and sisters, all responsible for mother earth, father sky, sister water, brother mountain, all beyond being designated democrat or republican. Remind us that we are one of the wealthiest states in the wealthiest of countries, but have the poorest cities, one of the highest teen pregnancy rates, an education system that ranks among the lowest, and that we put more poor and minority people to death than any other state. Forgive us only

if we not only promise to do better, but actually do better. Remind us of the sacrifices of our veterans to make this country great. Forgive us our selfishness and partisanship, our vanity, our quest for power and wealth. All of your religions tell us that we are supposed to help one another and make the world a just, loving, and environmentally safe place for all of God's children, no matter what their color, culture, sexual orientation, religion, economic or marital status.

Do we deserve your blessing O great spirit, Allah, God? Not yet. Lord, not yet. Not while we still tax the poor with sales taxes instead of sharing the income with a fair and equitable income tax. Make us work for the good of all, not just the privileged few. Help us make Texas different from every other state in a good way—one that we can be proud of, one that truly cares and shares with all of us. O what an opportunity we have to put aside partisan ways and ask ourselves, on every bill and amendment that comes before us, if we are doing the right thing. If we truly live our religion every day of the week, we won't require everyone to think or believe or look alike to love alike.

We value this free country, hard fought for. Remind us to use our hearts as well as our heads and hands to help one another, to make the world a better, more just, and loving world, starting with Texas. Inspire us! Inspire us! We can make a difference! We are called to make a difference. May we have the courage to truly do what is right for everyone. Amen. Shalom. Salaam Melekum.

LEAVES OF ABSENCE GRANTED

The following members were granted leaves of absence temporarily for today to attend a meeting of the conference committee on **HB 1**:

Heflin on motion of Truitt.

Luna on motion of Truitt.

Pitts on motion of Truitt.

Turner on motion of Truitt.

Wohlgemuth on motion of Truitt.

CAPITOL PHYSICIAN

The speaker recognized Representative Hunter who presented Dr. Edward Styduhar, Jr. of College Station as the "Doctor for the Day."

The house welcomed Dr. Styduhar and thanked him for his participation in the Physician of the Day Program sponsored by the Texas Academy of Family Physicians.

RESOLUTIONS REFERRED TO COMMITTEES

Resolutions were at this time laid before the house and referred to committees. (See the addendum to the daily journal, Referred to Committees, List No. 1.)

(Ellis in the chair)

HR 1491 - ADOPTED (by Quintanilla)

Representative Quintanilla moved to suspend all necessary rules to take up and consider at this time **HR 1491**.

The motion prevailed without objection.

The following resolution was laid before the house:

HR 1491, Congratulating Raymondo Rodriguez on his election to the Socorro I.S.D. Board of Trustees.

HR 1491 was adopted without objection.

HR 1492 - ADOPTED
(by Quintanilla)

Representative Quintanilla moved to suspend all necessary rules to take up and consider at this time **HR 1492**.

The motion prevailed without objection.

The following resolution was laid before the house:

HR 1492, Congratulating Ashley Quintanilla on being named the Ernesto Serna Middle School softball team's offensive player of the year.

HR 1492 was adopted without objection.

INTRODUCTION OF GUESTS

The chair recognized Representative Elkins who introduced Zachary Lane Borders and his family.

SB 718 - ADOPTION OF CONFERENCE COMMITTEE REPORT

Representative McReynolds submitted the conference committee report on **SB 718**.

Representative McReynolds moved to adopt the conference committee report on **SB 718**.

A record vote was requested.

The motion prevailed by (Record 726): 139 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Bailey; Baxter; Berman; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Burnam; Callegari; Campbell; Capelo; Casteel; Castro; Chavez; Chisum; Christian; Coleman; Cook, B.; Cook, R.; Corte; Crownover; Davis, J.; Davis, Y.; Dawson; Delisi; Denny; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Eiland; Eissler; Elkins; Escobar; Farabee; Farrar; Flores; Flynn; Gallego; Garza; Gattis; Geren; Giddings; Goodman; Goolsby; Griggs; Grusendorf; Guillen; Gutierrez; Haggerty; Hamilton; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hilderbran; Hill; Hochberg; Hodge; Homer; Hope; Hopson; Howard; Hughes; Hunter; Hupp; Isett; Jones, D.; Jones, E.; Jones, J.; Keel; Keffer, B.; Keffer, J.; King; Kolkhorst; Krusee; Kuempel; Laney; Laubenberg; Lewis; Mabry; Madden; Marchant; Martinez Fischer; McCall; McClendon; McReynolds; Menendez; Mercer; Merritt; Miller; Moreno, J.; Moreno, P.; Morrison; Mowery; Nixon; Noriega; Oliveira; Olivo; Paxton; Peña; Phillips; Pickett; Puente; Quintanilla; Raymond; Reyna; Riddle; Ritter; Rose; Seaman; Smith, T.; Smith, W.; Smithee; Solis; Solomons; Stick; Swinford; Talton; Taylor; Telford; Thompson; Truitt; Uresti; Van Arsdale; Villarreal; West; Wilson; Wise; Wolens; Wong; Woolley; Zedler.

Present, not voting — Mr. Speaker; Ellis(C).

Absent, Excused, Committee Meeting — Heflin; Luna; Pitts; Turner; Wohlgemuth.

Absent — Canales; Crabb; Naishtat; Rodriguez.

STATEMENT OF VOTE

When Record No. 726 was taken, I was in the house but away from my desk. I would have voted yes.

Canales

HB 2130 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

Representative Kuempel called up with senate amendments for consideration at this time,

HB 2130, A bill to be entitled An Act relating to the exemptions from requirements applicable to local permits.

HB 2130 - POINT OF ORDER

Representative Puente raised a point of order against further consideration of **HB 2130** under Rule 11, Section 2 of the House Rules and Article III, Section 30 of the Texas Constitution on the grounds that the senate amendments are not germane to the bill and change the original purpose.

The chair overruled the point of order.

On motion of Representative Kuempel, the house concurred in the senate amendments to **HB 2130** by (Record 727): 79 Yeas, 51 Nays, 2 Present, not voting.

Yeas — Allen; Baxter; Berman; Bohac; Branch; Brown, F.; Campbell; Chisum; Christian; Cook, B.; Corte; Davis, J.; Dawson; Delisi; Denny; Driver; Edwards; Eissler; Elkins; Farabee; Flynn; Gattis; Goodman; Goolsby; Griggs; Grusendorf; Haggerty; Hamilton; Hamric; Harper-Brown; Hartnett; Hegar; Hilderbran; Hill; Homer; Hopson; Howard; Hughes; Hunter; Hupp; Isett; Jones, D.; Keel; Keffer, B.; Keffer, J.; King; Krusee; Kuempel; Laney; Laubenberg; Mabry; Madden; Marchant; McCall; Merritt; Miller; Moreno, J.; Morrison; Mowery; Nixon; Noriega; Paxton; Phillips; Reyna; Ritter; Seaman; Smith, W.; Smithee; Stick; Swinford; Talton; Taylor; Telford; Van Arsdale; West; Wilson; Wong; Woolley; Zedler.

Nays — Alonzo; Brown, B.; Burnam; Canales; Capelo; Casteel; Castro; Chavez; Coleman; Cook, R.; Davis, Y.; Dukes; Dunnam; Dutton; Eiland; Escobar; Farrar; Flores; Gallego; Garza; Geren; Giddings; Guillen; Gutierrez; Hardcastle; Hochberg; Hodge; Hope; Jones, J.; Lewis; Martinez Fischer; McClendon; McReynolds; Menendez; Mercer; Moreno, P.; Naishtat; Olivo; Peña; Pickett; Puente; Quintanilla; Raymond; Riddle; Rose; Solis; Thompson; Truitt; Uresti; Villarreal; Wise.

Present, not voting — Mr. Speaker; Ellis(C).

Absent, Excused, Committee Meeting — Heflin; Luna; Pitts; Turner; Wohlgemuth.

Absent — Bailey; Bonnen; Callegari; Crabb; Crownover; Deshotel; Jones, E.; Kolkhorst; Oliveira; Rodriguez; Smith, T.; Solomons; Wolens.

STATEMENT OF VOTE

When Record No. 727 was taken, I was in the house but away from my desk. I would have voted yes.

Deshotel

Senate Amendment No. 1 (Senate Floor Amendment No. 1)

Amend **HB 2130** (Committee Printing) by inserting a new appropriately numbered SECTION of the bill to read as follows:

SECTION _____. This section applies only to a project, as defined by Chapter 245, Local Government Code, in progress on the date a water district or authority with regional management and regulatory authority over groundwater withdrawals within all or part of at least five counties adopts any rule requiring a permit or authorization for a project to improve or develop land. A project is considered in progress if a permit or other form of authorization establishing vested rights for the project pursuant to Chapter 245, Local Government Code, was in effect in the area of the authority's jurisdiction as of the rule's adoption date, whether before, on, or after the effective date of this Act. A district or authority may not impose permit requirements on or otherwise regulate a project in progress as described by this section. This section supersedes any other applicable law to the extent of any conflict.

**HB 3184 - HOUSE REFUSES TO CONCUR
IN SENATE AMENDMENTS
CONFERENCE COMMITTEE APPOINTED**

Representative Hill called up with senate amendments for consideration at this time,

HB 3184, A bill to be entitled an Act relating to the financing, construction, improvement, maintenance, and operation of toll facilities by the Texas Department of Transportation.

Representative Hill moved that the house not concur in the senate amendments and that a conference committee be requested to adjust the differences between the two houses on **HB 3184**.

The motion prevailed without objection.

The chair announced the appointment of the following conference committee, on the part of the house, on **HB 3184**: Hill, chair; Krusee; Harper-Brown; Hamric; and Garza.

**HR 1362 - ADOPTED
(by Menendez)**

Representative Menendez moved to suspend all necessary rules to take up and consider at this time **HR 1362**.

The motion prevailed without objection.

The following resolution was laid before the house:

HR 1362, Congratulating Sara Elizabeth Jones on earning her professional dental laboratory technician certification from The University of Texas Health Science Center at San Antonio.

HR 1362 was adopted without objection.

HR 1484 - NOTICE OF INTRODUCTION

Pursuant to the provisions of Rule 13, Section 9(f) of the House Rules, the chair announced the introduction of **HR 1484**, suspending the limitations on the conferees for **SB 880**.

**HB 2295 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

Representative Thompson called up with senate amendments for consideration at this time,

HB 2295, A bill to be entitled An Act relating to the level of municipal participation in contracts with developers for public improvements.

On motion of Representative Thompson, the house concurred in the senate amendments to **HB 2295** by (Record 728): 138 Yeas, 1 Nay, 2 Present, not voting.

Yeas — Allen; Alonzo; Bailey; Baxter; Berman; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Burnam; Callegari; Campbell; Canales; Capelo; Casteel; Castro; Chavez; Chisum; Christian; Coleman; Cook, B.; Cook, R.; Corte; Crabb; Crownover; Davis, J.; Davis, Y.; Dawson; Delisi; Denny; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Eiland; Eissler; Elkins; Escobar; Farabee; Farrar; Flores; Flynn; Gallego; Garza; Gattis; Geren; Giddings; Goodman; Goolsby; Griggs; Grusendorf; Guillen; Gutierrez; Haggerty; Hamilton; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hilderbran; Hill; Hochberg; Hodge; Homer; Hope; Hopson; Howard; Hughes; Hunter; Hupp; Isett; Jones, D.; Jones, E.; Jones, J.; Keel; Keffer, B.; Keffer, J.; King; Kolkhorst; Krusee; Kuempel; Laney; Laubenberg; Lewis; Mabry; Madden; Marchant; Martinez Fischer; McCall; McClendon; McReynolds; Menendez; Mercer; Merritt; Miller; Moreno, J.; Moreno, P.; Morrison; Naishtat; Nixon; Noriega; Olivo; Paxton; Peña; Phillips; Pickett; Puente; Quintanilla; Raymond; Reyna; Riddle; Ritter; Rose; Seaman; Smith, T.; Smith, W.; Smithee; Solis; Solomons; Stick; Swinford; Taylor; Telford; Thompson; Truitt; Uresti; Van Arsdale; Villarreal; West; Wilson; Wise; Wong; Woolley; Zedler.

Nays — Talton.

Present, not voting — Mr. Speaker; Ellis(C).

Absent, Excused, Committee Meeting — Heflin; Luna; Pitts; Turner; Wohlgemuth.

Absent — Mowery; Oliveira; Rodriguez; Wolens.

Senate Committee Substitute

HB 2295, A bill to be entitled An Act relating to the level of municipal participation in contracts with developers for public improvements.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 212.072, Local Government Code, is amended by amending Subsection (b) and adding Subsections (c) and (d) to read as follows:

(b) The contract:

(1) must establish the limit of participation by the municipality at a level not to exceed 30 percent of the total contract price, if the municipality has a population of less than 1.8 million; or

(2) may allow participation by a municipality at a level not to exceed 70 percent of the total contract price, if the municipality has a population of 1.8 million or more.

(c) In addition, the contract may also allow participation by the municipality at a level not to exceed 100 percent of the total cost for any oversizing of improvements required by the municipality, including but not limited to increased capacity of improvements to anticipate other future development in the area.

(d) The municipality is liable only for the agreed payment of its share of the contract, which shall be determined in advance either as a lump sum or as a factor or percentage of the total actual cost as determined by municipal ordinance.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.

Senate Amendment No. 1 (Senate Floor Amendment No. 1)

Amend **CSHB 2295** by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 252.043(b), Local Government Code, is amended to read as follows:

(b) In determining the best value for the municipality, the municipality may consider:

- (1) the purchase price;
- (2) the reputation of the bidder and of the bidder's goods or services;
- (3) the quality of the bidder's goods or services;
- (4) the extent to which the goods or services meet the municipality's needs;
- (5) the bidder's past relationship with the municipality;
- (6) the impact on the ability of the municipality to comply with laws, ~~and~~ rules, and programs relating to contracting with historically underutilized businesses, minority-owned and women-owned businesses, and nonprofit organizations employing persons with disabilities;
- (7) the total long-term cost to the municipality to acquire the bidder's goods or services; and
- (8) any relevant criteria specifically listed in the request for bids or proposals.

HB 529 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

Representative B. Brown called up with senate amendments for consideration at this time,

HB 529, A bill to be entitled An Act relating to the ineligibility of a delinquent child support obligor to receive state-funded or state-administered student financial assistance.

On motion of Representative B. Brown, the house concurred in the senate amendments to **HB 529**.

Senate Committee Substitute

HB 529, A bill to be entitled An Act relating to the ineligibility of a delinquent child support obligor to receive state-funded or state-administered student financial assistance.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 231.006, Family Code, is amended by adding Subsection (a-1) and amending Subsection (b) to read as follows:

(a-1) A child support obligor who is more than six months delinquent in paying child support is not eligible to receive student financial assistance paid directly to the obligor by the comptroller. This subsection does not apply to an obligor who submits to the comptroller:

(1) a sworn affidavit from the obligor or obligee stating that the obligor is current on the obligor's child support payments; and

(2) a written statement from the obligor that the obligor has made a request to the Title IV-D agency to correct the errors in the obligor's payment record.

(b) A child support obligor or business entity ineligible to receive payments under Subsection (a) or a child support obligor ineligible to receive payments under Subsection (a-1) remains ineligible until:

(1) all arrearages have been paid; or

(2) the obligor is in compliance with a written repayment agreement or court order as to any existing delinquency.

SECTION 2. (a) This Act takes effect September 1, 2003.

(b) The change in law made by this Act applies only to student financial assistance paid on or after the effective date of this Act.

HB 1446 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

Representative B. Brown called up with senate amendments for consideration at this time,

HB 1446, A bill to be entitled An Act relating to the eligibility of certain children for certain health benefit coverage.

On motion of Representative B. Brown, the house concurred in the senate amendments to **HB 1446**.

Senate Committee Substitute

HB 1446, A bill to be entitled An Act relating to the eligibility of certain children for certain health benefit coverage.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subsection (M)(3), Section 2, Chapter 397, Acts of the 54th Legislature, Regular Session, 1955 (Article 3.70-2, Vernon's Texas Insurance Code), is amended to read as follows:

(3) Other policy provisions relating to maximum limiting attained age and enrollment in school may be used to establish continued eligibility for coverage of a child ~~[less than]~~ 25 years of age or older. In the event of late enrollment, the insurance company may require evidence of insurability satisfactory to the company before inclusion of the child for coverage under the policy.

SECTION 2. Section 3(a), Article 21.24-2, Insurance Code, is amended to read as follows:

(a) Each health benefit plan that conditions coverage for a child [~~up to~~] 25 years of age or older on the child's being a full-time student at an educational institution shall provide the coverage for an entire academic term during which the child begins as a full-time student and remains enrolled, regardless of whether the number of hours of instruction for which the child is enrolled is reduced to a level that changes the child's academic status to less than that of a full-time student. Additionally, the health benefit plan shall provide the coverage continuously until the 10th day of instruction of the subsequent academic term on which date the health benefit plan may terminate coverage of the child if the child does not return to full-time student status before that date. A health benefit plan may not condition coverage for a child younger than 25 years of age on the child's being enrolled at an educational institution.

SECTION 3. This Act takes effect September 1, 2003, and applies only to a health insurance policy or health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2004. A policy or plan that is delivered, issued for delivery, or renewed before January 1, 2004, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

HB 1723 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

Representative Geren called up with senate amendments for consideration at this time,

HB 1723, A bill to be entitled An Act relating to the performance of asbestos surveys.

On motion of Representative Geren, the house concurred in the senate amendments to **HB 1723**.

Senate Committee Substitute

HB 1723, A bill to be entitled An Act relating to the performance of asbestos surveys.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter F, Chapter 1954, Occupations Code, is amended by adding Section 1954.260 to read as follows:

Sec. 1954.260. DURATION OF ASBESTOS SURVEY. An asbestos survey performed for a public building as required by this chapter and any other law is valid if the survey was performed in compliance with the laws in effect at the time the survey was completed and the survey identifies any asbestos-containing building material, the location of that material, and any other asbestos condition in the building. Any renovation, construction, or other activity for which an asbestos survey is required shall be conducted without the requirement of obtaining a new asbestos survey if a valid asbestos survey exists.

SECTION 2. (a) This Act takes effect September 1, 2003.

(b) The change in law made by this Act applies only to an asbestos survey performed by a person licensed under Chapter 1954, Occupations Code, as amended by this Act, on or after the effective date of this Act. An asbestos survey

performed before the effective date of this Act is governed by the law in effect on the date the survey was performed, and the former law is continued in effect for that purpose.

**HB 2169 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

Representative Telford called up with senate amendments for consideration at this time,

HB 2169, A bill to be entitled An Act relating to the payment of retirement benefits to retirees who are employed by certain public educational institutions.

On motion of Representative Telford, the house concurred in the senate amendments to **HB 2169** by (Record 729): 138 Yeas, 1 Nay, 2 Present, not voting.

Yeas — Allen; Alonzo; Bailey; Baxter; Berman; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Burnam; Callegari; Campbell; Canales; Capelo; Casteel; Castro; Chavez; Chisum; Christian; Coleman; Cook, B.; Cook, R.; Corte; Crabb; Crownover; Davis, J.; Davis, Y.; Dawson; Delisi; Denny; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Eiland; Eissler; Elkins; Escobar; Farabee; Farrar; Flores; Flynn; Gallego; Garza; Gattis; Geren; Giddings; Goodman; Goolsby; Griggs; Grusendorf; Guillen; Gutierrez; Haggerty; Hamilton; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hilderbran; Hill; Hochberg; Hodge; Homer; Hopson; Howard; Hughes; Hunter; Hupp; Isett; Jones, D.; Jones, E.; Jones, J.; Keel; Keffer, J.; King; Kolkhorst; Krusee; Kuempel; Laney; Laubenberg; Lewis; Mabry; Madden; Marchant; Martinez Fischer; McCall; McClendon; McReynolds; Menendez; Mercer; Merritt; Miller; Moreno, J.; Moreno, P.; Morrison; Mowery; Naishtat; Nixon; Noriega; Oliveira; Olivo; Peña; Phillips; Pickett; Puente; Quintanilla; Raymond; Reyna; Riddle; Ritter; Rose; Seaman; Smith, T.; Smith, W.; Smithee; Solis; Solomons; Stick; Swinford; Talton; Taylor; Telford; Thompson; Truitt; Uresti; Van Arsdale; Villarreal; West; Wilson; Wise; Wong; Woolley; Zedler.

Nays — Hope.

Present, not voting — Mr. Speaker; Ellis(C).

Absent, Excused, Committee Meeting — Heflin; Luna; Pitts; Turner; Wohlgemuth.

Absent — Keffer, B.; Paxton; Rodriguez; Wolens.

Senate Amendment No. 1 (Senate Committee Amendment No. 1)

Amend **HB 2169** by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter A, Chapter 822, Government Code, is amended by adding Section 822.0015 to read as follows:

Sec. 822.0015. OPTIONAL MEMBERSHIP FOR CERTAIN OFFICIALS.

(a) In lieu of participating in the Employees Retirement System of Texas, the commissioner of education may elect to participate in the retirement system in the same manner and under the same conditions as a member who is an employee of the public school system.

(b) An election by the commissioner of education to participate in the retirement system must be on a form prescribed by the retirement system for that purpose.

(c) Notwithstanding Section 821.001, if the commissioner of education elects to participate in the retirement system, the State Board of Education is the employer of the commissioner for purposes of this subtitle.

SECTION ____. (a) Notwithstanding Section 830.106, Government Code, a commissioner of education who is a participant in the optional retirement program under Chapter 830, Government Code, on the effective date of this Act may make a one-time election to cease active participation in the program and become a member of the Teacher Retirement System of Texas under Section 822.0015, Government Code, as added by this Act, on or after that date.

(b) A commissioner of education who makes the one-time election under Subsection (a) of this section is not eligible to again participate in the optional retirement program under Chapter 830, Government Code, after making the election.

Senate Amendment No. 2 (Senate Floor Amendment No. 1)

Amend **HB 2169** (committee report version) as follows:

On page 2, lines 2-7, strike "April 22" and substitute "May 24".

On page 2, lines 2-9, strike "April 22" and substitute "May 24".

**HB 2470 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

Representative Kuempel called up with senate amendments for consideration at this time,

HB 2470, A bill to be entitled An Act relating to funding license buyback programs of the Parks and Wildlife Department.

On motion of Representative Kuempel, the house concurred in the senate amendments to **HB 2470** by (Record 730): 139 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Bailey; Baxter; Berman; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Burnam; Callegari; Campbell; Canales; Capelo; Casteel; Castro; Chavez; Chisum; Christian; Coleman; Cook, B.; Cook, R.; Corte; Crabb; Crownover; Davis, J.; Davis, Y.; Dawson; Delisi; Denny; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Eiland; Eissler; Elkins; Escobar; Farabee; Farrar; Flores; Flynn; Gallego; Garza; Gattis; Geren; Giddings; Goodman; Goolsby; Griggs; Grusendorf; Guillen; Gutierrez; Haggerty; Hamilton; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hilderbran; Hill; Hochberg; Hodge; Homer; Hope; Hopson; Howard; Hughes; Hunter; Hupp; Isett; Jones, D.; Jones, E.; Jones, J.; Keel; Keffer, B.; Keffer, J.; King; Kolkhorst; Krusee; Kuempel;

Laney; Laubenberg; Lewis; Mabry; Madden; Marchant; Martinez Fischer; McCall; McClendon; McReynolds; Menendez; Mercer; Merritt; Miller; Moreno, J.; Moreno, P.; Morrison; Mowery; Naishtat; Nixon; Noriega; Olivo; Paxton; Peña; Phillips; Pickett; Puente; Quintanilla; Raymond; Reyna; Riddle; Ritter; Rose; Seaman; Smith, T.; Smith, W.; Smithee; Solis; Solomons; Stick; Swinford; Talton; Taylor; Telford; Thompson; Truitt; Uresti; Van Arsdale; Villarreal; West; Wilson; Wise; Wong; Zedler.

Present, not voting — Mr. Speaker; Ellis(C).

Absent, Excused, Committee Meeting — Heflin; Luna; Pitts; Turner; Wohlgenuth.

Absent — Oliveira; Rodriguez; Wolens; Woolley.

Senate Committee Substitute

HB 2470, A bill to be entitled An Act relating to buyback programs of commercial licenses for certain aquatic animals and the promotion and marketing of the shrimp industry in this state and to funding those activities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 12, Parks and Wildlife Code, is amended by adding Section 12.009 to read as follows:

Sec. 12.009. FUNDING FOR LICENSE BUYBACK PROGRAMS. (a) If money is available, the department shall increase the allocations of the license buyback programs under Sections 47.081, 77.119, and 78.111 by \$2 million for the fiscal biennium beginning September 1, 2003.

(b) The department may finance the increase in funding under Subsection (a) by donations, grants, or any money appropriated by the legislature or otherwise available for the programs. The department may actively solicit donations and apply for grants to finance the increase.

(c) This section expires September 1, 2005.

SECTION 2. The heading to Chapter 47, Agriculture Code, is amended to read as follows:

CHAPTER 47. TEXAS OYSTER AND SHRIMP PROGRAM

SECTION 3. Sections 47.001 and 47.002, Agriculture Code, are redesignated as Subchapter A, Chapter 47, Agriculture Code, and a heading is added to that subchapter to read as follows:

SUBCHAPTER A. TEXAS OYSTER PROGRAM

SECTION 4. Chapter 47, Agriculture Code, is amended by adding Subchapter B to read as follows:

SUBCHAPTER B. TEXAS SHRIMP MARKETING ASSISTANCE PROGRAM IN DEPARTMENT OF AGRICULTURE

Sec. 47.051. DEFINITIONS. In this subchapter:

- (1) "Advisory committee" means the shrimp advisory committee.
- (2) "Coastal waters" means all the salt water of the state, including the portion of the Gulf of Mexico that is within the jurisdiction of the state.
- (3) "Program" means the Texas shrimp marketing assistance program.

(4) "Shrimp marketing account" means the account in the general revenue fund established under Section 77.002(b), Parks and Wildlife Code.

(5) "Texas-produced shrimp" means shrimp harvested from coastal waters and produced within the borders of the state.

Sec. 47.052. PROGRAM ESTABLISHED. (a) The Texas shrimp marketing assistance program is established in the department to assist the Texas shrimp industry in promoting and marketing Texas-produced shrimp and educating the public about the Texas shrimp industry and Texas-produced shrimp.

(b) The commissioner, in consultation with the advisory committee established under Section 47.053, shall adopt rules as necessary to implement the program.

(c) The department may accept grants, gifts, and gratuities from any source, including any governmental entity, any private or public corporation, and any other person, in furtherance of the program. Any funds received as a grant, gift, or gratuity shall be deposited in the shrimp marketing account under Section 77.002, Parks and Wildlife Code.

(d) The program shall be funded at a minimum level of \$250,000 per fiscal year with funds deposited into the shrimp marketing account under Section 77.002, Parks and Wildlife Code. The department may not expend more than two percent of the annual program budget on out-of-state travel.

Sec. 47.053. ADVISORY COMMITTEE. (a) The commissioner shall appoint a shrimp advisory committee to assist the commissioner in implementing the program established under this subchapter and in the expenditure of funds appropriated for the purpose of this subchapter.

(b) The advisory committee shall be composed of the following 10 members:

(1) two owners of commercial bay shrimp boats;

(2) two owners of commercial gulf shrimp boats;

(3) one member of the Texas shrimp aquaculture industry;

(4) one retail fish dealer;

(5) one wholesale fish dealer;

(6) one person employed by an institution of higher education as a researcher or instructor specializing in the area of food science, particularly seafood;

(7) one member of the seafood restaurant industry; and

(8) one representative of the public.

(c) The members of the advisory committee serve without compensation but may be reimbursed for expenses incurred in the direct performance of their duties on approval by the commissioner.

(d) An advisory committee member serves a three-year term, with the terms of three or four members expiring August 31 of each year. The commissioner may reappoint a member to the advisory committee.

(e) The members of the advisory committee shall elect a presiding officer from among the members and shall adopt rules governing the operation of the committee. The rules shall specify that five members of the advisory committee constitute a quorum sufficient to conduct the meetings and business of the committee.

(f) The advisory committee shall meet as necessary, but not less frequently than once each calendar year, to provide guidance to the commissioner in establishing and implementing the program.

Sec. 47.054. PROGRAM STAFF. (a) The commissioner shall employ one or more persons as employees of the department to staff the program.

(b) Unless otherwise expressly provided by the legislature, the source of funding for the payment of employee salaries shall be funds generated from the program, including the 10 percent license fee increase authorized by Section 77.002, Parks and Wildlife Code, and the surcharge on license fees authorized by Section 134.014.

Sec. 47.055. PROMOTION, MARKETING, AND EDUCATION. The program shall promote and advertise the Texas shrimp industry by:

(1) developing and maintaining a database of Texas shrimp wholesalers that sell Texas-produced shrimp;

(2) operating a toll-free telephone number to:

(A) receive inquiries from persons who wish to purchase a particular type of Texas-produced shrimp; and

(B) make information about the Texas shrimp industry available to the public;

(3) developing a shrimp industry marketing plan to increase the consumption of Texas-produced shrimp;

(4) educating the public about Texas-produced shrimp by providing publicity about the information in the program's database to the public and making the information available to the public through the department's toll-free telephone number and electronically through the Internet;

(5) promoting the Texas shrimp industry; and

(6) promoting and marketing, and educating consumers about, Texas-produced shrimp using any other method the commissioner determines appropriate.

SECTION 5. Section 134.014, Agriculture Code, is amended to read as follows:

Sec. 134.014. LICENSE FEES. (a) The department shall issue an aquaculture license or a fish farm vehicle license on completion of applicable license requirements and the payment of a fee by the applicant, as provided by department rule.

(b) In addition to the fees under Subsection (a), the department shall assess and collect a surcharge on the annual license fee for aquaculture facilities producing shrimp for the purpose of funding the Texas shrimp marketing assistance program created under Subchapter B, Chapter 47. The amount of the

surcharge shall be set each year, as provided by department rule, in an amount equal to 10 percent of the fees generated by the Parks and Wildlife Department under Section 77.002(c), Parks and Wildlife Code.

(c) The department shall deposit at the end of each quarter, to the credit of the shrimp marketing account, the fees received under Subsection (b) for use by the department to conduct and operate the Texas shrimp marketing assistance program created under Subchapter B, Chapter 47.

SECTION 6. Section 77.002, Parks and Wildlife Code, is amended to read as follows:

Sec. 77.002. LICENSE FEES. (a) License fees provided in this chapter are a privilege tax on catching, buying, selling, unloading, transporting, or handling shrimp within the jurisdiction of this state.

(b) The shrimp marketing account is an account in the general revenue fund to be used by the Department of Agriculture solely for the purpose of the Texas shrimp marketing assistance program established under Subchapter B, Chapter 47, Agriculture Code. The account consists of funds deposited to the account under this section and Section 134.014(b), Agriculture Code. The account is exempt from the application of Section 11.032 of this code and Section 403.095, Government Code.

(c) Except as provided by Sections 47.021 and 77.049, in addition to fee increases the department is authorized to make under this code, the department shall increase by 10 percent the fee, as of September 1, 2003, for the following licenses and shall deposit the amount of the increase to the credit of the shrimp marketing account:

- (1) a wholesale fish dealer's license issued under Section 47.009;
- (2) a wholesale truck dealer's fish license issued under Section 47.010;
- (3) a retail fish dealer's license issued under Section 47.011;
- (4) a retail dealer's truck license issued under Section 47.013;
- (5) a commercial bay shrimp boat license issued under Section 77.031;

and

- (6) a commercial gulf shrimp boat license issued under Section 77.035.

(d) Money in the shrimp marketing account may be used only for implementing, maintaining, and conducting, including hiring program staff employees for, the Texas shrimp marketing assistance program created under Subchapter B, Chapter 47, Agriculture Code. The Department of Agriculture may allocate not more than \$100,000 per fiscal year of the money in the account to cover administrative and personnel costs of the Department of Agriculture associated with the program.

(e) The department shall deposit, at the end of each quarter to the credit of the shrimp marketing account, fees received under Subsection (c) for use by the Department of Agriculture to conduct and operate the Texas shrimp marketing assistance program created under Subchapter B, Chapter 47, Agriculture Code.

SECTION 7. Subchapter A, Chapter 47, Parks and Wildlife Code, is amended by adding Section 47.021 to read as follows:

Sec. 47.021. LICENSE FEES. (a) Fees for licenses issued under Sections 47.009, 47.011, and 47.013 may not be increased by more than 10 percent of the amount of the fee set by the commission and effective on September 1, 2002.

(b) This section expires September 1, 2005.

SECTION 8. Subchapter C, Chapter 77, Parks and Wildlife Code, is amended by adding Section 77.049 to read as follows:

Sec. 77.049. LICENSE FEES. (a) Fees for licenses issued under Sections 77.031 and 77.035 may not be increased by more than 10 percent of the amount of the fee set by the commission and effective on September 1, 2002.

(b) This section expires September 1, 2005.

SECTION 9. The Parks and Wildlife Department shall transfer a minimum amount of \$250,000 each year of the biennium to the shrimp marketing account for use by the Department of Agriculture to conduct and operate the Texas shrimp marketing program created under Subchapter B, Chapter 47, Agriculture Code, as added by this Act. All unexpended balances remaining from appropriations for fiscal year 2004 may be carried forward to fiscal year 2005.

SECTION 10. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.

HB 3152 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

Representative Bonnen called up with senate amendments for consideration at this time,

HB 3152, A bill to be entitled An Act relating to the potability of and requirements for removing contaminants from groundwater.

On motion of Representative Bonnen, the house concurred in the senate amendments to **HB 3152**.

Senate Committee Substitute

HB 3152, A bill to be entitled An Act relating to the potability of and requirements for removing contaminants from groundwater.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 361, Health and Safety Code, is amended by adding Subchapter W to read as follows:

SUBCHAPTER W. MUNICIPAL SETTING DESIGNATIONS

Sec. 361.801. DEFINITIONS. In this subchapter:

(1) "Contaminant" includes:

(A) solid waste;

(B) hazardous waste;

(C) a hazardous waste constituent listed in 40 C.F.R. Part 261, Subpart D, or Table 1, 40 C.F.R. Section 261.24;

(D) a pollutant as defined in Section 26.001, Water Code; and

(E) a hazardous substance:

(i) as defined in Section 361.003; or

(ii) subject to Subchapter G, Chapter 26, Water Code.

(2) "Potable water" means water that is used for irrigating crops intended for human consumption, drinking, showering, bathing, or cooking purposes.

(3) "Response action" means the cleanup or removal from the environment of a hazardous substance or contaminant, excluding a waste, pollutant, or substance regulated by or that results from an activity under the jurisdiction of the Railroad Commission of Texas under Chapter 91 or 141, Natural Resources Code, or Chapter 27, Water Code.

Sec. 361.8015. LEGISLATIVE FINDINGS. (a) The legislature finds that access to and the use of groundwater may need to be restricted to protect public health and welfare where the quality of groundwater presents an actual or potential threat to human health.

(b) The legislature finds that an action by a municipality to restrict access to or the use of groundwater in support of or to facilitate a municipal setting designation advances a substantial and legitimate state interest where the quality of the groundwater subject to the designation is an actual or potential threat to human health.

Sec. 361.802. PURPOSE. The purpose of this subchapter is to provide authorization to the executive director to certify municipal setting designations for municipal properties in order to limit the scope of or eliminate the need for investigation of or response actions addressing contaminant impacts to groundwater that has been restricted from use as potable water by ordinance or restrictive covenant.

Sec. 361.803. ELIGIBILITY FOR A MUNICIPAL SETTING DESIGNATION. A person, including a local government, may submit a request to the executive director for a municipal setting designation for property if:

(1) the property is within the corporate limits or extraterritorial jurisdiction of a municipality authorized by statute that has a population of at least 20,000; and

(2) a public drinking water supply system exists that satisfies the requirements of Chapter 341 and that supplies or is capable of supplying drinking water to:

(A) the property for which designation is sought; and

(B) property within one-half mile of the property for which designation is sought.

Sec. 361.804. APPLICATION FOR A MUNICIPAL SETTING DESIGNATION. (a) A person seeking to obtain a municipal setting designation under this subchapter must submit an application to the executive director as prescribed by this section.

(b) An application submitted under this section must:

(1) be on a form provided by the executive director;

(2) contain the following:

(A) the applicant's name and address;

(B) a legal description of the outer boundaries of the proposed municipal setting designation and a specific description of the designated groundwater that will be restricted under the ordinance or restrictive covenant described by Section 361.8065(a)(2);

(C) a statement as to whether the municipalities or the retail public utilities entitled to notice under Section 361.805 support the proposed designation;

(D) an affidavit that affirmatively states that:

(i) the municipal setting designation eligibility criteria contained in Section 361.803 are satisfied;

(ii) true and accurate copies of all documents demonstrating that the municipal setting designation eligibility criteria provided by Section 361.803 have been satisfied are included with the application;

(iii) a true and accurate copy of a legal description of the property for which the municipal setting designation is sought is included with the application; and

(iv) notice was provided in accordance with Section 361.805;

(E) a statement regarding the type of known contamination in the groundwater beneath the property proposed for a municipal setting designation;

(F) proof of notice, as required by Section 361.805(c); and

(G) if available at the time of the application, a copy of the ordinance or restrictive covenant and any required resolutions satisfying the requirements described in Section 361.8065, or a statement that the applicant will provide a copy of the ordinance or restrictive covenant and any required resolutions satisfying the requirements described in Section 361.8065 before the executive director certifies the municipal setting designation in accordance with Section 361.807; and

(3) be accompanied by an application fee of \$1,000.

(c) Not later than 90 days after receiving an application submitted as provided by Subsection (b), the executive director shall:

(1) issue a municipal setting designation certificate in accordance with Section 361.807;

(2) deny the application in accordance with Section 361.806; or

(3) request additional information for the municipal setting designation application.

(d) Not later than the 45th day after the date the executive director receives any additional information requested under Subsection (c)(3), the executive director shall certify or deny the application.

(e) Fees collected under this section shall be deposited to the credit of the waste management account.

Sec. 361.805. NOTICE. (a) On or before the date of submission of an application to the executive director, a person seeking a municipal setting designation must provide notice to:

(1) each municipality:

(A) in which the property for which the designation is sought is located;

(B) with a boundary located not more than one-half mile from the property for which the designation is sought; or

(C) that owns or operates a groundwater supply well located not more than five miles from the property for which the designation is sought;

(2) each owner of a private water well registered with the commission that is located not more than five miles from a boundary of the property for which the designation is sought; and

(3) each retail public utility, as defined by Section 13.002, Water Code, that owns or operates a groundwater supply well located not more than five miles from the property for which the designation is sought.

(b) The notice must include, at a minimum:

(1) the purpose of the municipal setting designation;

(2) the eligibility criteria for a municipal setting designation;

(3) the location and description of the property for which the designation is sought;

(4) a statement that a municipality described by Subsection (a)(1) or retail public utility described by Subsection (a)(3) may provide written comments on any information relevant to the executive director's consideration of the municipal setting designation;

(5) a statement that the executive director will certify or deny the application or request additional information from the applicant not later than 90 days after receiving the application;

(6) the type of contamination on the property for which the designation is sought; and

(7) identification of the party responsible for the contamination of the property, if known.

(c) The applicant must submit copies of the notice letters delivered in accordance with Subsection (a) and the signed delivery receipts to the executive director with the application.

(d) For the purpose of this section, notice to a municipality must be provided to the city secretary for the municipality and notice to a retail public utility must be to the registered agent, the owner, or the manager.

(e) A municipality, retail public utility, or private well owner entitled to notice under this section may file comments with the executive director not later than the 60th day after the date the municipality, retail public utility, or private well owner receives the notice under this section.

Sec. 361.806. DENIAL OF APPLICATION. (a) The executive director shall deny an application submitted under Section 361.804 if:

(1) any of the eligibility criteria described in Section 361.803 have not been met for the property for which the municipal setting designation is sought;

(2) the application is incomplete or inaccurate; or

(3) after the 60-day comment period described by Section 361.805(e), the executive director determines that the municipal setting designation would negatively impact the current and future regional water resource needs or obligations of a municipality, a retail public utility, or a private well owner described by Section 361.805(a).

(b) If the executive director determines that an application is incomplete or inaccurate, the executive director, not later than the 90th day after receipt of the application, shall provide the applicant with a list of all information needed to make the application complete or accurate.

(c) If the executive director denies the application, the executive director shall:

(1) notify the applicant that the application has been denied; and

(2) explain the reasons for the denial of the application.

Sec. 361.8065. PRECERTIFICATION REQUIREMENTS. (a) Before the executive director may issue a municipal setting designation certificate under Section 361.807, the applicant must provide documentation of the following:

(1) that the application is supported by a resolution adopted by:

(A) the city council of each municipality described by Section 361.805(a)(1)(B) or (C); and

(B) the governing body of each retail public utility described by Section 361.805(a)(3); and

(2) that the property for which designation is sought is:

(A) subject to an ordinance that prohibits the use of designated groundwater from beneath the property as potable water and that appropriately restricts other uses of and contact with that groundwater; or

(B) subject to a restrictive covenant enforceable by the municipality in which the property for which the designation is sought is located that prohibits the use of designated groundwater from beneath the property as potable water and appropriately restricts other uses of and contact with that groundwater.

(b) A designation described by Subsection (a)(2)(B) must be supported by a resolution passed by the city council of the municipality.

Sec. 361.807. CERTIFICATION. (a) If the executive director determines that an applicant has complied with Section 361.8065 and submitted a complete application, the executive director shall issue a copy of the municipal setting designation certificate to:

(1) the applicant for the municipal setting designation;

(2) each municipality, retail public utility, and private well owner described by Section 361.805(a); and

(3) each person who submitted comments on the application for the municipal setting designation and anyone else who requested a copy during the review period.

(b) The municipal setting designation certificate shall:

(1) indicate that the municipal setting designation eligibility criteria described in Section 361.803 are satisfied and that the executive director has certified the municipal setting designation;

(2) indicate that any person addressing environmental impacts for a property located in the certified municipal setting designation shall complete any necessary investigation and response action requirements in accordance with Section 361.808; and

(3) include a legal description of the outer boundaries of the municipal setting designation.

(c) If the executive director determines that an applicant has submitted a complete application except that an ordinance or restrictive covenant and any required resolutions satisfying the requirements described in Section 361.8065 have not been submitted, the executive director shall issue a letter to the applicant listed in Subsection (a) stating that a municipal setting designation will be certified on submission of a copy of the ordinance or restrictive covenant and any required resolutions satisfying the requirements described in Section 361.8065. On submission of the ordinance or restrictive covenant and any required resolutions satisfying the requirements described in Section 361.8065, the executive director shall issue a municipal setting designation certificate in accordance with Subsections (a) and (b).

Sec. 361.808. INVESTIGATION AND RESPONSE ACTION REQUIREMENTS. (a) If no potable water wells are located within one-half mile beyond the boundary of a municipal setting designation, the executive director shall not require a person addressing environmental impacts for a property located in the municipal setting designation to:

(1) investigate the nature and extent of contamination in groundwater except to satisfy the requirements of Subsection (b); or

(2) conduct response actions to remove, decontaminate, or control environmental impacts to groundwater based solely on potential potable water use.

(b) Notwithstanding Subsection (a), the executive director shall require a responsible person to complete a response action to address environmental impacts to groundwater in a certified municipal setting designation if action is necessary to ensure:

(1) the protection of humans from exposures to environmental impacts to groundwater that are not related to a potable water use, including exposures from nonconsumptive uses and exposures resulting from inadvertent contact with contaminated groundwater; or

(2) the protection of ecological resources.

(c) If potable water wells are located within one-half mile beyond the boundary of a municipal setting designation, the executive director shall require a person addressing environmental impacts for a property located in the municipal setting designation to complete an investigation to determine whether groundwater contamination emanating from the property has caused or is reasonably anticipated to cause applicable human health or ecological standards to be exceeded in the area located within one-half mile beyond the boundary of the certified municipal setting designation.

(d) If an investigation described in Subsection (c) confirms that groundwater emanating from the property has not caused and is not reasonably anticipated to cause applicable human health or ecological standards to be exceeded in the area located within one-half mile beyond the boundary of the

certified municipal setting designation, the executive director shall approve the completion of groundwater response actions at the property except to the extent that response actions are necessary to satisfy Subsection (b).

(e) If an investigation described in Subsection (c) confirms that groundwater emanating from the property has caused or is reasonably anticipated to cause applicable human health or ecological standards to be exceeded in the area located within one-half mile beyond the boundary of the certified municipal setting designation, the executive director shall approve the completion of groundwater response action at the source property if the person addressing environmental impacts:

(1) completes response actions at the source property to remove, decontaminate, or control environmental impacts to groundwater to meet applicable human health or ecological standards; or

(2) completes response actions at the source property to remove, decontaminate, or control environmental impacts to groundwater that are not related to a potable water use, including actions to protect humans from exposures from nonconsumptive uses and exposures resulting from inadvertent contact with contaminated groundwater and actions to protect ecological resources, and:

(A) provides to owners of impacted potable water wells described in Subsection (c) a reliable alternate water supply that will provide a volume of water sufficient for the intended use for a period not shorter than the period that the impacted wells exceed the human health or ecological standards and, after obtaining permission from such owners, files a restrictive covenant that prohibits the use of groundwater from those wells as potable water and restricts other uses of groundwater in a manner consistent with groundwater quality; or

(B) expands the municipal setting designation in accordance with the procedures under this subchapter relating to the initial application for a municipal setting designation to include the properties with impacted potable water wells described in Subsection (c).

(f) Notwithstanding any other provision of this section, the executive director may require a person responsible for property within a certified municipal setting designation to complete a response action to address environmental impacts to groundwater emanating from the property that has caused or is reasonably anticipated to cause applicable human health or ecological standards to be exceeded in an area located more than one-half mile beyond the boundary of the certified municipal setting designation, provided such action is necessary to ensure:

(1) the protection of humans from exposures to environmental impacts to groundwater; or

(2) the protection of ecological resources.

(g) This subchapter relates to the scope of the response action that can be required by the executive director in municipal settings designated under this subchapter. Nothing in this subchapter shall be construed to alter or affect the private rights of action of any person under any statute or common law for personal injury or property damage caused by the release of contaminants.

SECTION 2. Subsection (a), Section 211.003, Local Government Code, is amended to read as follows:

(a) The governing body of a municipality may regulate:

- (1) the height, number of stories, and size of buildings and other structures;
- (2) the percentage of a lot that may be occupied;
- (3) the size of yards, courts, and other open spaces;
- (4) population density; ~~and~~
- (5) the location and use of buildings, other structures, and land for business, industrial, residential, or other purposes; and
- (6) the pumping, extraction, and use of groundwater by persons other than retail public utilities, as defined by Section 13.002, Water Code, for the purpose of preventing the use or contact with groundwater that presents an actual or potential threat to human health.

SECTION 3. Subsection (a), Section 212.003, Local Government Code, is amended to read as follows:

(a) The governing body of a municipality by ordinance may extend to the extraterritorial jurisdiction of the municipality the application of municipal ordinances adopted under Section 212.002 and other municipal ordinances relating to access to public roads or the pumping, extraction, and use of groundwater by persons other than retail public utilities, as defined by Section 13.002, Water Code, for the purpose of preventing the use or contact with groundwater that presents an actual or potential threat to human health. However, unless otherwise authorized by state law, in its extraterritorial jurisdiction a municipality shall not regulate:

- (1) the use of any building or property for business, industrial, residential, or other purposes;
- (2) the bulk, height, or number of buildings constructed on a particular tract of land;
- (3) the size of a building that can be constructed on a particular tract of land, including without limitation any restriction on the ratio of building floor space to the land square footage;
- (4) the number of residential units that can be built per acre of land; or
- (5) the size, type, or method of construction of a water or wastewater facility that can be constructed to serve a developed tract of land if:
 - (A) the facility meets the minimum standards established for water or wastewater facilities by state and federal regulatory entities; and
 - (B) the developed tract of land is:
 - (i) located in a county with a population of 2.8 million or more; and
 - (ii) served by:
 - (a) on-site septic systems constructed before September 1, 2001, that fail to provide adequate services; or
 - (b) on-site water wells constructed before September 1, 2001, that fail to provide an adequate supply of safe drinking water.

SECTION 4. Chapter 401, Local Government Code, is amended by adding Section 401.005 to read as follows:

Sec. 401.005. RESTRICTION ON PUMPING, EXTRACTION, OR USE OF GROUNDWATER. (a) For the purpose of establishing and enforcing a municipal setting designation, the governing body of a municipality may regulate the pumping, extraction, or use of groundwater by persons other than retail public utilities, as defined by Section 13.002, Water Code, to prevent the use of or contact with groundwater that presents an actual or potential threat to human health.

(b) For the purpose of establishing and enforcing a municipal setting designation, the governing body of a municipality by ordinance may extend to the extraterritorial jurisdiction of the municipality the application of municipal ordinances adopted under this section.

SECTION 5. This Act takes effect September 1, 2003.

Senate Amendment No. 1 (Senate Floor Amendment No. 1)

Amend **CSHB 3152** (page 6, line 13) by adding the following language to the end of subchapter (g):

Nothing in this subchapter is meant to alter or supersede any requirement of a federally authorized environmental program administered by the State of Texas.

**HB 917 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

Representative Eiland called up with senate amendments for consideration at this time,

HB 917, A bill to be entitled An Act relating to the authority of counties and municipalities to incur debt to participate in erosion response projects undertaken by the General Land Office.

On motion of Representative Eiland, the house concurred in the senate amendments to **HB 917** by (Record 731): 139 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Bailey; Baxter; Berman; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Burnam; Callegari; Campbell; Canales; Capelo; Casteel; Castro; Chavez; Chisum; Christian; Coleman; Cook, B.; Cook, R.; Corte; Crabb; Crownover; Davis, J.; Davis, Y.; Dawson; Delisi; Denny; Deshotel; Driver; Dukes; Dutton; Edwards; Eiland; Eissler; Elkins; Escobar; Farabee; Farrar; Flores; Flynn; Gallego; Garza; Gattis; Geren; Giddings; Goodman; Goolsby; Griggs; Grusendorf; Guillen; Gutierrez; Haggerty; Hamilton; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hilderbran; Hill; Hochberg; Hodge; Homer; Hope; Hopson; Howard; Hughes; Hunter; Hupp; Isett; Jones, D.; Jones, E.; Jones, J.; Keel; Keffer, B.; Keffer, J.; King; Kolkhorst; Krusee; Kuempel; Laney; Laubenberg; Lewis; Mabry; Madden; Marchant; Martinez Fischer; McCall; McClendon; McReynolds; Menendez; Mercer; Merritt; Miller; Moreno, P.; Morrison; Mowery; Naishtat; Nixon; Noriega; Oliveira; Olivo; Paxton; Peña; Phillips; Pickett; Puente; Quintanilla; Raymond; Reyna; Riddle; Ritter; Rose;

Seaman; Smith, T.; Smith, W.; Smithee; Solis; Solomons; Stick; Swinford; Talton; Taylor; Telford; Thompson; Truitt; Uresti; Van Arsdale; Villarreal; West; Wilson; Wolens; Wong; Woolley; Zedler.

Present, not voting — Mr. Speaker; Ellis(C).

Absent, Excused, Committee Meeting — Heflin; Luna; Pitts; Turner; Wohlgemuth.

Absent — Dunnam; Moreno, J.; Rodriguez; Wise.

Senate Amendment No. 1 (Senate Floor Amendment No. 1)

Amend **HB 917** by striking subsection (3) and (4) of SECTION 1 of the bill (Senate committee report version page 1, lines 22-28) and inserting the following:

(3) for purposes of implementing the Coastal Erosion Planning and Response Act, subchapter H, Chapter 33, Natural Resources Code:

(A) participate as a qualified project partner for an erosion response project undertaken by the General Land Office, as those terms are defined in Section 33.601, Natural Resources Code; and

(B) undertake or contribute to the funding of:

(i) beach renourishment on public beaches, as defined by Section 61.012, Natural Resources Code, or

(ii) any other erosion response project as defined by Section 33.601, Natural Resources Code, on waterways, bays, and bay shorelines.

HB 3242 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

Representative West called up with senate amendments for consideration at this time,

HB 3242, A bill to be entitled An Act relating to the use of the reverse auction procedure by state agencies.

On motion of Representative West, the house concurred in the senate amendments to **HB 3242**.

Senate Committee Substitute

HB 3242, A bill to be entitled An Act relating to the use of the reverse auction procedure by the Texas Building and Procurement Commission.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2155.062(d), Government Code, is amended to read as follows:

(d) In this subchapter [~~section~~], "reverse auction procedure" means:

(1) a real-time bidding process usually lasting less than one hour and taking place at a previously scheduled time and Internet location, in which multiple suppliers, anonymous to each other, submit bids to provide the designated goods or services; or

(2) a bidding process usually lasting less than two weeks and taking place during a previously scheduled period and at a previously scheduled Internet location, in which multiple suppliers, anonymous to each other, submit bids to provide the designated goods or services.

SECTION 2. Subchapter B, Chapter 2155, Government Code, is amended by adding Section 2155.085 to read as follows:

Sec. 2155.085. REVERSE AUCTION PROCEDURE. (a) At least 10 percent of the dollar value of open market purchases, other than purchases of professional services as defined by Section 2254.002, made by a state agency or by the commission on behalf of a state agency each state fiscal year shall be purchased using the reverse auction procedure.

(b) In September of each year, a state agency shall submit to the governor, the lieutenant governor, and the speaker of the house of representatives a written justification if the agency did not comply with Subsection (a) during the preceding state fiscal year.

SECTION 3. This Act takes effect September 1, 2003.

Senate Amendment No. 1 (Senate Floor Amendment No. 1)

Amend **CSHB 3242** as follows:

(1) Strike SECTION 1 of the bill (Senate committee printing, page 1, lines 13-25) and substitute the following:

SECTION 1. Section 2155.062, Government Code, is amended by amending Subsections (a) and (d) and adding Subsection (e) to read as follows:

(a) Except as provided by Subsection (e), in ~~It~~ purchasing goods and services the commission may use, but is not limited to, the:

- (1) contract purchase procedure;
- (2) multiple award contract procedure, including under any schedules developed under Subchapter I;
- (3) open market purchase procedure; or
- (4) reverse auction procedure.

(d) In this subchapter ~~section~~, "reverse auction procedure" means:

(1) a real-time bidding process usually lasting less than one hour and taking place at a previously scheduled time and Internet location, in which multiple suppliers, anonymous to each other, submit bids to provide the designated goods or services; or

(2) a bidding process usually lasting less than two weeks and taking place during a previously scheduled period and at a previously scheduled Internet location, in which multiple suppliers, anonymous to each other, submit bids to provide the designated goods or services.

(e) The commission and other state agencies may not use the reverse auction procedure in purchasing services related to the construction, remodeling, repair, or maintenance of a building or other public work.

(2) In SECTION 2 of the bill, in proposed Section 2155.085(a), Government Code (Senate committee printing, page 1, line 31), immediately preceding "made by a state agency", insert "that are".

(3) In SECTION 2 of the bill, in proposed Section 2155.085(a), Government Code (Senate committee printing, page 1, line 32) immediately following "fiscal year", insert ", and for which the reverse auction procedure may be used,".

**HJR 23 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

Representative Hochberg called up with senate amendments for consideration at this time,

HJR 23, A joint resolution proposing a constitutional amendment permitting refinancing of a home equity loan with a reverse mortgage.

On motion of Representative Hochberg, the house concurred in the senate amendments to **HJR 23** by (Record 732): 135 Yeas, 0 Nays, 3 Present, not voting.

Yeas — Allen; Alonzo; Bailey; Baxter; Berman; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Callegari; Campbell; Canales; Capelo; Casteel; Castro; Chavez; Chisum; Christian; Coleman; Cook, B.; Cook, R.; Corte; Crabb; Crownover; Davis, J.; Davis, Y.; Delisi; Denny; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Eiland; Eissler; Elkins; Escobar; Farabee; Farrar; Flores; Flynn; Gallego; Garza; Gattis; Geren; Giddings; Goodman; Goolsby; Griggs; Grusendorf; Guillen; Gutierrez; Haggerty; Hamilton; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hilderbran; Hill; Hochberg; Hodge; Homer; Hope; Hopson; Howard; Hughes; Hunter; Hupp; Isett; Jones, D.; Jones, J.; Keel; Keffer, B.; Keffer, J.; King; Kolkhorst; Krusee; Kuempel; Laney; Laubenberg; Lewis; Mabry; Marchant; Martinez Fischer; McCall; McClendon; McReynolds; Menendez; Mercer; Merritt; Miller; Moreno, J.; Moreno, P.; Morrison; Mowery; Naishtat; Nixon; Noriega; Olivo; Paxton; Peña; Phillips; Pickett; Puente; Quintanilla; Raymond; Reyna; Riddle; Ritter; Rose; Seaman; Smith, T.; Smith, W.; Smithee; Solis; Solomons; Stick; Swinford; Talton; Taylor; Thompson; Truitt; Uresti; Van Arsdale; Villarreal; West; Wilson; Wise; Wong; Woolley; Zedler.

Present, not voting — Mr. Speaker; Burnam; Ellis(C).

Absent, Excused, Committee Meeting — Heflin; Luna; Pitts; Turner; Wohlgemuth.

Absent — Dawson; Jones, E.; Madden; Oliveira; Rodriguez; Telford; Wolens.

Senate Amendment No. 1 (Senate Floor Amendment No. 1)

Amend **HJR 23** in SECTION 2 of the resolution (committee printing page 1, line 18), by striking "November 4" and substituting "September 13".

**HB 320 - HOUSE REFUSES TO CONCUR
IN SENATE AMENDMENTS
CONFERENCE COMMITTEE APPOINTED**

Representative Grusendorf called up with senate amendments for consideration at this time,

HB 320, A bill to be entitled An Act relating to the refusal to administer or consent to the administration of certain psychiatric or psychological treatment to a child.

Representative Grusendorf moved that the house not concur in the senate amendments and that a conference committee be requested to adjust the differences between the two houses on **HB 320**.

The motion prevailed without objection.

The chair announced the appointment of the following conference committee, on the part of the house, on **HB 320**: Grusendorf, chair; Dutton; Howard; Hupp; and B. Brown.

**HB 411 - HOUSE REFUSES TO CONCUR
IN SENATE AMENDMENTS
CONFERENCE COMMITTEE APPOINTED**

Representative Grusendorf called up with senate amendments for consideration at this time,

HB 411, A bill to be entitled An Act relating to improvement of science instruction and student performance in public schools.

Representative Grusendorf moved that the house not concur in the senate amendments and that a conference committee be requested to adjust the differences between the two houses on **HB 411**.

The motion prevailed without objection.

The chair announced the appointment of the following conference committee, on the part of the house, on **HB 411**: Grusendorf, chair; Dutton; Deshotel; Madden; and Eissler.

**HB 547 - HOUSE REFUSES TO CONCUR
IN SENATE AMENDMENTS
CONFERENCE COMMITTEE APPOINTED**

Representative Howard called up with senate amendments for consideration at this time,

HB 547, A bill to be entitled An Act relating to the distance between certain pits that are part of quarrying operations and adjacent property.

Representative Howard moved that the house not concur in the senate amendments and that a conference committee be requested to adjust the differences between the two houses on **HB 547**.

The motion prevailed without objection.

The chair announced the appointment of the following conference committee, on the part of the house, on **HB 547**: Wohlgemuth, chair; Denny; B. Brown; Stick; and Hochberg.

**HB 725 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

Representative Haggerty called up with senate amendments for consideration at this time,

HB 725, A bill to be entitled An Act relating to the participation of community supervision and corrections department employees, retired employees, and dependents of employees and retired employees in the group benefits program for state employees.

On motion of Representative Haggerty, the house concurred in the senate amendments to **HB 725**.

Senate Committee Substitute

HB 725, A bill to be entitled An Act relating to the participation of community supervision and corrections department employees, retired employees, and dependents of employees and retired employees in the group benefits program for state employees.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

ARTICLE 1. PARTICIPATION BY COMMUNITY SUPERVISION AND
CORRECTIONS DEPARTMENTS IN GROUP BENEFITS PROGRAM FOR
STATE EMPLOYEES

SECTION 1.01. Section 1551.002, Insurance Code, as effective June 1, 2003, is amended to read as follows:

Sec. 1551.002. PURPOSES. The purposes of this chapter are to:

(1) provide uniformity in life, accident, and health benefit coverages for all state officers and employees and their dependents;

(2) enable the state to attract and retain competent and able employees by providing employees and their dependents with life, accident, and health benefit coverages at least equal to those commonly provided in private industry;

(3) foster, promote, and encourage employment by and service to the state as a career profession for individuals of high standards of competence and ability;

(4) recognize and protect the state's investment in each permanent employee by promoting and preserving economic security and good health among employees and their dependents;

(5) foster and develop high standards of employer-employee relationships between the state and its employees; ~~and~~

(6) recognize the long and faithful service and dedication of state officers and employees and encourage them to remain in state service until eligible for retirement by providing health benefits for them and their dependents;

and

(7) recognize the service to the state by employees and retired employees of community supervision and corrections departments by extending to them and their dependents the same life, accident, and health benefit coverages as those provided under this chapter to state employees, retired state employees, and their dependents.

SECTION 1.02. Section 1551.111(c), Insurance Code, as effective June 1, 2003, is amended to read as follows:

(c) Except as provided by Section 1551.114, participation [~~Participation~~] in the group benefits program does not extend to:

- (1) the governing body of either system;
- (2) a municipality or subdivision participating in either system; or
- (3) a trustee, officer, or employee, or a dependent of a trustee, officer, or employee, of a participating municipality or subdivision.

SECTION 1.03. Subchapter C, Chapter 1551, Insurance Code, as effective June 1, 2003, is amended by adding Section 1551.114 to read as follows:

Sec. 1551.114. PARTICIPATION BY COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENTS. (a) In this section, "employee of a community supervision and corrections department" means an employee of a department established under Chapter 76, Government Code.

(b) An employee or retired employee of a community supervision and corrections department shall be treated as an employee or annuitant, as applicable, for purposes of this chapter only as provided by this section.

(c) A community supervision and corrections department of this state participates in the group benefits program administered by the board of trustees under this chapter. Participation under this section is limited to:

- (1) active employees of a community supervision and corrections department;
- (2) retired employees of a community supervision and corrections department who retire on or after September 1, 2004, and who:

(A) have been employed by one or more community supervision and corrections departments for a total of at least 10 years of creditable service; and

(B) meet all the requirements for retirement benefits prescribed by the Texas County and District Retirement System; and

- (3) eligible dependents of the active employees and retired employees described by Subdivisions (1) and (2).

(d) Each full-time active employee of a community supervision and corrections department is automatically covered by the basic coverage for employees unless the employee specifically waives coverage or unless the employee is expelled from the program. Each part-time active employee of a community supervision and corrections department is eligible to participate in the group benefits program on application in the manner provided by the board of trustees, unless the employee has been expelled from the program. Each community supervision and corrections department shall notify each of its part-time employees of the employee's eligibility for participation.

(e) An active employee described by Subsection (d) is not eligible to receive a state contribution under Subchapter G for premiums. The community justice assistance division of the Texas Department of Criminal Justice is responsible for payment of the contributions for each of a department's participating active employees and the employees' dependents that the state would make under Subchapter G if the employees were state employees. Each covered active employee shall pay that portion of the cost of group coverages selected by the employee that exceeds the amount of division contributions.

(f) A retired employee is eligible to participate in the group benefits program on application to the board of trustees. On application, a retired employee is automatically covered by the basic coverage for annuitants unless the retired employee specifically waives coverage or unless the retired employee is expelled from the program. A retired employee is not eligible to receive a state contribution under Subchapter G for premiums. The community justice assistance division of the Texas Department of Criminal Justice is responsible for payment of the contributions for each of a department's retired employees and the retired employees' participating dependents that the state would make under Subchapter G if the retired employees were retired state employees. Each participating retired employee shall pay that portion of the cost of group coverage selected by the retired employee that exceeds the amount of division contributions. The retired employee shall pay contributions required from the retired employee in the manner prescribed by the board of trustees. Each community supervision and corrections department shall notify each of its retired employees of the eligibility for participation and the costs associated with participation.

(g) All contributions received under this section from the community justice assistance division of the Texas Department of Criminal Justice, active employees of community supervision and corrections departments, and retired employees of community supervision and corrections departments for basic, optional, and voluntary coverages under the group benefits program shall be paid into the employees life, accident, and health insurance and benefits fund and shall be used by the board of trustees to provide those coverages as provided by this chapter.

SECTION 1.04. Subchapter G, Chapter 1551, Insurance Code, as effective June 1, 2003, is amended by adding Sections 1551.321 and 1551.322 to read as follows:

Sec. 1551.321. REQUIRED REPORTS OF COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENTS. (a) Not later than June 1 of each year, a community supervision and corrections department participating in the group benefits program under Section 1551.114 shall submit to the board of trustees an estimated number of active employees, retired employees, and dependents of active or retired employees to be enrolled in the group benefits program for the following fiscal year.

(b) Each month, a community supervision and corrections department shall reconcile the department records of requested participation in the group benefits plan and board of trustees records of coverage.

Sec. 1551.322. REQUIRED CONTRIBUTIONS BY TEXAS DEPARTMENT OF CRIMINAL JUSTICE. (a) Not later than August 1 of each year, the board of trustees shall notify the community justice assistance division of the Texas Department of Criminal Justice of:

(1) the estimated number of community supervision and corrections department active employees, retired employees, and dependents of active or retired employees to be covered under the group benefits program for the following fiscal year; and

(2) administrative costs incurred by the board of trustees that are specifically attributable to processing this population.

(b) The community justice assistance division of the Texas Department of Criminal Justice, on receipt of the notification described by Subsection (a), shall:

(1) make timely payments of amounts due the board of trustees, including the administrative costs incurred by the board of trustees; and

(2) reconcile, each month, the board of trustees records and the division records of coverage and payments.

ARTICLE 2. CONFORMING AMENDMENTS

SECTION 2.01. Section 76.006, Government Code, is amended by amending Subsections (a) and (c) and adding Subsection (i) to read as follows:

(a) Except as provided by Subsection (c), department employees are not state employees. The department shall contract for all employee benefits with one county served by the department and designated for that purpose by the district judge or judges. To the extent that employee benefits are provided by a county under this subsection, [and] the employees are governed by personnel policies and benefits equal to personnel policies for and benefits of other employees of that county. This subsection does not apply to employee benefits for group insurance and related coverages provided to employees of a department through the group benefits program for state employees under Chapter 1551, Insurance Code.

(c) Department employees are state employees for the purposes of Chapter 104, Civil Practice and Remedies Code, and Chapter 501, Labor Code. Notwithstanding Subsection (a), a department employee is eligible to participate in the group benefits program established under Chapter 1551, Insurance Code, as provided by Section 1551.114, Insurance Code.

(i) The department shall submit all information required by Section 1551.321, Insurance Code, in the manner and form prescribed by the Employees Retirement System of Texas.

SECTION 2.02. Section 509.011, Government Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) Notwithstanding Subsection (a), the division shall prepare and submit to the comptroller vouchers for payment to the Employees Retirement System of Texas for contributions for group coverage in which a department participates under Section 1551.114, Insurance Code. Payment of contributions under this subsection shall be made from the money that the division would otherwise allocate to a department under Subsections (a) and (b).

ARTICLE 3. TRANSITION

SECTION 3.01. (a) The Employees Retirement System of Texas shall develop a plan for the extension of benefits under the group benefits program to persons eligible for those benefits under Section 1551.114, Insurance Code, as added by this Act. The system may employ persons as necessary to implement this subsection.

(b) Coverage under Section 1551.114, Insurance Code, as added by this Act, shall become effective September 1, 2004, except that a community supervision and corrections department may delay participation in the group benefits program until the date life, accident, and health benefit coverage that is in effect on September 1, 2004, expires or terminates.

SECTION 3.02. The commissioners court of the county designated for a community supervision and corrections department under Section 76.006(a), Government Code, as that section existed before amendment by this Act, shall, not later than September 1, 2004, transfer from the employee benefits program described by that section all records relating to group insurance and related coverage of department employees and retired employees, if applicable, under that program to the Employees Retirement System of Texas.

SECTION 3.03. (a) This Act takes effect September 1, 2003, except that Article 2 of this Act takes effect September 1, 2004.

(b) The Employees Retirement System of Texas shall adopt rules as necessary to implement Section 3.01 of this Act not later than June 1, 2004.

**HR 1371 - ADOPTED
(by Stick)**

Representative Stick moved to suspend all necessary rules to take up and consider at this time **HR 1371**.

The motion prevailed without objection.

The following resolution was laid before the house:

HR 1371, In memory of the deceased members of the Veterans of Foreign Wars on Memorial Day.

HR 1371 was unanimously adopted by a rising vote.

(Speaker in the chair)

**HB 1459 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

Representative Eiland called up with senate amendments for consideration at this time,

HB 1459, A bill to be entitled An Act relating to hotel taxes in certain coastal municipalities with a population of less than 5,000.

On motion of Representative Eiland, the house concurred in the senate amendments to **HB 1459**.

Senate Amendment No. 1 (Senate Floor Amendment No. 1)

Amend **HB 1459** (Senate committee report version) as follows:

(1) In SECTION 1 of the bill in proposed Section 351.1055, Tax Code, strike subsection (c) (page 1, lines 27-30), insert the following:

(c) Notwithstanding any other provision of this chapter, a municipality that has a population of less than 5,000 adjacent to a home-rule city with a population of less than 80,000 may use all or any portion of the revenue heretofore or hereafter derived from the municipal hotel tax:

(2) In SECTION 2 of the bill, in proposed 351.003(c), Tax Code (page 1, line 42-43), strike "an eligible coastal" and insert "a" before "municipality".

(Rodriguez now present)

HB 864 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

Representative Geren called up with senate amendments for consideration at this time,

HB 864, A bill to be entitled An Act relating to prohibiting the introduction or possession of certain items in correctional facilities or on certain property of the Texas Department of Criminal Justice; providing penalties.

On motion of Representative Geren, the house concurred in the senate amendments to **HB 864**.

Senate Amendment No. 1 (Senate Floor Amendment No. 1)

Amend **HB 864** as follows:

In Section 1 of the bill, Section 38.1(a)(1), Penal Code, (committee printing, page 1, line 18) between "physician" and ";" insert "or practitioner, as defined in Section 551.003, Occupations Code."

BILLS AND RESOLUTIONS SIGNED BY THE SPEAKER

Notice was given at this time that the speaker had signed bills and resolutions in the presence of the house (see the addendum to the daily journal, Signed by the Speaker, House List No. 47).

SB 161 - VOTE RECONSIDERED

Representative Isett moved to reconsider the vote by which **SB 161** was passed.

The motion to reconsider prevailed.

SB 161 ON THIRD READING

(Capelo, Truitt, Zedler, Naishtat, Coleman, et al. - House Sponsors)

SB 161, A bill to be entitled An Act relating to the regulation and enforcement of certain licensing programs by the Texas Department of Health; providing administrative, civil, and criminal penalties.

Amendment No. 2

Representative Isett offered the following amendment to **SB 161**:

Amend **SB 161** on third reading by striking Amendment No. 1 by Capelo.

Amendment No. 2 was adopted without objection.

(Garza in the chair)

SB 161, as amended, was passed.

(Speaker in the chair)

**PROVIDING FOR A CONGRATULATORY
AND MEMORIAL CALENDAR**

Representative Edwards moved to set a congratulatory and memorial calendar for 10 a.m. Wednesday, May 28.

The motion prevailed without objection.

COMMITTEE MEETING ANNOUNCEMENT

The following committee meeting was announced:

Rules and Resolutions, upon recess today, Desk 133, for a formal meeting, to consider the calendar.

**PROVIDING FOR A LOCAL, CONSENT,
AND RESOLUTIONS CALENDAR**

Representative Reyna moved to set a local, consent, and resolutions calendar for 10 a.m. Wednesday, May 28.

The motion prevailed without objection.

RECESS

Representative Eissler moved that the house recess until 1:15 p.m. today.

The motion prevailed without objection.

The house accordingly, at 12:06 p.m., recessed until 1:15 p.m. today.

AFTERNOON SESSION

(Van Arsdale in the chair)

The house met at 1:15 p.m. and was called to order by the chair.

UNFINISHED BUSINESS

The following bill was laid before the house as unfinished business:

**CSSB 266 ON SECOND READING
(Gallego and Hartnett - House Sponsors)**

CSSB 266, A bill to be entitled An Act relating to the continuation and functions of the Board of Law Examiners.

The motion to reconsider Amendment No. 2 was pending at the time of adjournment.

Representative Gallego moved to postpone consideration of **CSSB 266** until 2:30 p.m. today.

The motion prevailed without objection.

HR 1490 - ADOPTED
(by Kuempel)

Representative Kuempel moved to suspend all necessary rules to take up and consider at this time **HR 1490**.

The motion prevailed without objection.

The following resolution was laid before the house:

HR 1490, Honoring the life of Joseph Cannon Froh of Austin.

HR 1490 was read and was unanimously adopted by a rising vote.

On motion of Representative Goolsby, the names of all the members of the house were added to **HR 1490** as signers thereof.

INTRODUCTION OF GUESTS

The chair recognized Representative Kuempel who introduced the family of Joseph Cannon Froh.

MESSAGE FROM THE SENATE

A message from the senate was received at this time (see the addendum to the daily journal, Messages from the Senate, Message No. 1).

POSTPONED BUSINESS

The following bills were laid before the house as postponed business:

SB 86 ON SECOND READING
(Morrison - House Sponsor)

SB 86, A bill to be entitled An Act relating to the eligibility of a high school graduate for automatic admission to an institution of higher education.

SB 86 was read second time on May 24 and was postponed until 9 a.m. today.

Amendment No. 1

Representative McClendon offered the following amendment to **SB 86**:

Amend **SB 86** by adding the following SECTIONS to read as follows:

SECTION _____. Section 51.801, Education Code, is amended to read as follows:

Sec. 51.801. DEFINITIONS. In this subchapter, "general academic teaching institution," "governing board," "medical dental unit," "public junior college," "public technical institute," and "university system" have the meanings assigned by Section 61.003.

SECTION _____. Subchapter U, Chapter 51, Education Code, is amended by adding Section 51.8065 to read as follows:

Sec. 51.8065. AUTOMATIC ADMISSION TRACK - HIGH SCHOOL TO JUNIOR COLLEGE TO GENERAL ACADEMIC TEACHING INSTITUTION:
(a) In this section, "public upper-level institution of higher education" means an institution of higher education that offers only junior-level and senior-level courses or only junior-level, senior-level, and graduate-level courses.

(b) Except as provided by Subsection (g), each general academic teaching institution shall admit an applicant for admission to the institution as an undergraduate transfer student if in the year preceding the academic year for which the applicant is applying for admission under this section the applicant:

(1) received a degree or certificate from a public junior college or public technical institute in a program requiring at least 42 semester credit hours of core curriculum; and

(2) completed the program with a cumulative grade point average of at least 3.0 on a four-point scale or the equivalent.

(c) To qualify for admission under this section, an applicant must submit an application before the expiration of any application filing deadline established by the institution.

(d) After admitting an applicant under this section, the institution may review the applicant's record and any other factor the institution considers appropriate to determine whether the applicant may require additional preparation for college-level work or would benefit from inclusion in a retention program. The institution may require a student so identified to enroll during the summer immediately after the student is admitted under this section to participate in appropriate enrichment courses and orientation programs. This section does not prohibit a student who is not determined to need additional preparation for college-level work from enrolling, if the student chooses, during the summer immediately after the student is admitted under this section.

(e) Admission to a specific general academic teaching institution is contingent on the availability of space within the institution for the admission of additional students.

(f) Admissions to a particular program or school within a general academic teaching institution are based solely on the requirements of the institution.

(g) This section does not apply to:

(1) a public upper-level institution of higher education; or

(2) any other general academic teaching institution if, with respect to the academic year for which an undergraduate transfer student has applied for admission under this section, the institution has filled through automatic admission as required by the other provisions of this subchapter at least 50 percent of the spaces available for entering undergraduate students at the institution.

SECTION _____. (a) Section 51.8065, Education Code, takes effect immediately and applies beginning with admissions for the 2004 fall semester.

(b) The Texas Higher Education Coordinating Board and each general academic teaching institution shall adopt rules or policies relating to the admission of students under Section 51.8065, Education Code, as added by this Act, not later than January 1, 2004.

Amendment No. 1 was adopted without objection.

Amendment No. 2

On behalf of Representative Castro, Representative Chavez offered the following amendment to **SB 86**:

Amend **SB 86** by adding the following appropriately numbered SECTION and renumbering the other SECTIONS of the bill accordingly:

SECTION _____. Section 28.026, Education Code, is amended to read as follows:

Sec. 28.026. NOTICE OF AUTOMATIC COLLEGE ADMISSION. (a) The board of trustees of a school district shall require each high school in the district to post appropriate signs in each counselor's office, in each principal's office, and in each administrative building indicating the substance of Section 51.803 regarding automatic college admission. To assist in the dissemination of this information, the school district shall:

(1) require that each high school counselor and class advisor be provided a detailed explanation of the substance of Section 51.803;

(2) require that each high school counselor and senior class advisor explain to eligible students the substance of Section 51.803; and

(3) provide each eligible senior student under Section 51.803 and the student's parent or guardian, at the commencement of a class's senior year, with a written notification of the student's eligibility with a detailed explanation of the substance of Section 51.803.

(b) The agency shall adopt a form to use in providing notice under Subsection (a)(3). In providing notice under Subsection (a)(3), a school district shall use the form adopted by the agency.

Amendment No. 2 was adopted without objection.

Amendment No. 3

Representatives Gallego and Alonzo offered the following amendment to **SB 86**:

Amend **SB 86** in SECTION 1 of the bill, immediately following proposed Section 51.803(e), Education Code (page 3, between lines 7 and 8), by inserting the following:

(f) A general academic teaching institution is not required to fill more than 60 percent of the institution's total number of spaces available for first-time resident undergraduate students at the institution through the admission of applicants under Subsection (a). If the number of applications for admission under Subsection (a) received by the institution exceeds 60 percent of the total number of spaces available for first-time resident undergraduate students at the institution, the institution may give automatic admission as provided by this section to those applicants until 60 percent of the institution's total number of spaces available for first-time resident undergraduate students are filled. The institution shall consider the factors listed in Section 51.805 to determine which of the remaining applicants under Subsection (a) the institution will admit.

(Turner now present)

Amendment No. 3 was adopted without objection.

Amendment No. 4

Representatives Martinez Fischer and Olivo offered the following amendment to **SB 86**:

Amend **SB 86** as follows:

(1) In SECTION 1 of the bill, in added Section 51.803(d), Education Code (Committee printing page 2, line 22), strike "2007-2008" and substitute "2008-2009".

(2) In SECTION 2 of the bill, in added Section 28.025(g-1), Education Code (Committee printing page 4, line 6), strike "2003-2004" and substitute "2004-2005".

(3) In SECTION 2 of the bill, in added Section 28.025(g-1), Education Code (Committee printing page 4, line 7), strike "2004" and substitute "2005".

Amendment No. 4 was adopted without objection.

Amendment No. 5

Representative Wilson offered the following amendment to **SB 86**:

Amend **SB 86** (House Committee Printing) by adding the following appropriately numbered SECTION to the bill and renumbering the remaining SECTIONS of the bill accordingly:

SECTION _____. (a) Section 51.805(c), Education Code, is amended to read as follows:

(c) A general academic teaching institution may review other factors in making an admissions decision. A general academic teaching institution must consider the same factors and apply the same standards, criteria, and formulas, including minimum standards for high school grade point averages or test scores, to all applicants for admission to the institution as entering freshman in ranking those applicants or determining which applicants are to be offered admission.

(b) The change in law made by this Act in amending Section 51.805(c), Education Code, applies beginning with undergraduate admissions to a general academic teaching institution of higher education for the 2004-2005 academic year. Undergraduate admissions to a term or semester before that academic year are covered by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

Amendment No. 5 was adopted without objection.

SB 86, as amended, was passed to third reading.

(Luna now present)

HR 1117 - ADOPTED
(by Luna)

Representative Luna moved to suspend all necessary rules to take up and consider at this time **HR 1117**.

The motion prevailed without objection.

The following resolution was laid before the house:

HR 1117, In memory of Donald McClure of Flour Bluff.

HR 1117 was unanimously adopted by a rising vote.

INTRODUCTION OF GUESTS

The chair recognized Representative Luna who introduced the family of Donald McClure.

SB 1184 ON SECOND READING

(J. Keffer - House Sponsor)

SB 1184, A bill to be entitled An Act relating to the enforcement of commercial motor vehicle safety standards.

SB 1184 was read second time on May 24 and was postponed until 9 a.m. today.

Amendment No. 1 (Committee Amendment No. 1)

On behalf of Representative Driver, Representative J. Keffer offered the following committee amendment to **SB 1184**:

Amend **SB 1184** as follows:

On page 5, line 16 after "may" and before "increase" INSERT "pursuant to Section 2001.058(e) of the Government Code"

Amendment No. 1 was adopted without objection.

SB 1184, as amended, was passed to third reading.

CSSB 1771 ON SECOND READING

(J. Keffer - House Sponsor)

CSSB 1771, A bill to be entitled An Act relating to economic development programs and funding.

CSSB 1771 was read second time on May 25 and was postponed until 9 a.m. today.

Amendment No. 1

Representative J. Keffer offered the following amendment to **CSSB 1771**:

Amend **CSSB 1771** in SECTION 2 of the bill, in added Section 481.078(e), Government Code (House committee printing, page 2, line 18), between "(e)" and "The governor", by inserting "The administration of the fund is considered to be a trustee program within the office of the governor.".

Amendment No. 1 was adopted without objection.

(Wohlgemuth now present)

Amendment No. 2

Representative Chavez offered the following amendment to **CSSB 1771**:

Amend **CSSB 1771** as follows:

(1) Add the following appropriately numbered SECTIONS to the bill:

SECTION ____ . Subchapter B, Chapter 11, Tax Code, is amended by adding Section 11.253 to read as follows:

Sec. 11.253. TANGIBLE PERSONAL PROPERTY IN TRANSIT. (a) In this section:

(1) "Dealer's motor vehicle inventory," "dealer's vessel and outboard motor inventory," "dealer's heavy equipment inventory," and "retail manufactured housing inventory" have the meanings assigned by Subchapter B, Chapter 23.

(2) "Goods-in-transit" means tangible personal property that:

(A) is acquired in or imported into this state to be forwarded to another location in this state or outside this state;

(B) is detained at a location in this state in which the owner of the property does not have a direct or indirect ownership interest for assembling, storing, manufacturing, processing, or fabricating purposes by the person who acquired or imported the property;

(C) is transported to another location in this state or outside this state not later than 175 days after the date the person acquired the property in or imported the property into this state; and

(D) does not include oil, natural gas, petroleum products, aircraft, dealer's motor vehicle inventory, dealer's vessel and outboard motor inventory, dealer's heavy equipment inventory, or retail manufactured housing inventory.

(3) "Location" means a physical address.

(4) "Petroleum product" means a liquid or gaseous material that is an immediate derivative of the refining of oil or natural gas.

(b) A person is entitled to an exemption from taxation of the appraised value of that portion of the person's property that consists of goods-in-transit.

(c) The exemption provided by Subsection (b) is subtracted from the market value of the property determined under Section 23.01 or 23.12, as applicable, to determine the taxable value of the property.

(d) Except as provided by Subsections (f) and (g), the chief appraiser shall determine the appraised value of goods-in-transit under this subsection. The chief appraiser shall determine the percentage of the market value of tangible personal property owned by the property owner and used for the production of income in the preceding calendar year that was contributed by goods-in-transit. For the first year in which the exemption applies to a taxing unit, the chief appraiser shall determine that percentage as if the exemption applied in the preceding year. The chief appraiser shall apply that percentage to the market value of the property owner's tangible personal property used for the production of income for the current year to determine the appraised value of goods-in-transit for the current year.

(e) In determining the market value of goods-in-transit that in the preceding year were assembled, stored, manufactured, processed, or fabricated in this state, the chief appraiser shall exclude the cost of equipment, machinery, or materials that entered into and became component parts of the goods-in-transit but were not themselves goods-in-transit or that were not transported to another location in this state or outside this state before the expiration of 175 days after the date they were brought into this state by the property owner or acquired by the property

owner in this state. For component parts held in bulk, the chief appraiser may use the average length of time a component part was held by the owner of the component parts during the preceding year at a location in this state that was not owned by or under the control of the owner of the component parts in determining whether the component parts were transported to another location in this state or outside this state before the expiration of 175 days.

(f) If the property owner was not engaged in transporting goods-in-transit to another location in this state or outside this state for the entire preceding year, the chief appraiser shall calculate the percentage of the market value described in Subsection (d) for the portion of the year in which the property owner was engaged in transporting goods-in-transit to another location in this state or outside this state.

(g) If the property owner or the chief appraiser demonstrates that the method provided by Subsection (d) significantly understates or overstates the market value of the property qualified for an exemption under Subsection (b) in the current year, the chief appraiser shall determine the market value of the goods-in-transit to be exempt by determining, according to the property owner's records and any other available information, the market value of those goods-in-transit owned by the property owner on January 1 of the current year, excluding the cost of equipment, machinery, or materials that entered into and became component parts of the goods-in-transit but were not themselves goods-in-transit or that were not transported to another location in this state or outside this state before the expiration of 175 days after the date they were brought into this state by the property owner or acquired by the property owner in this state.

(h) The chief appraiser by written notice delivered to a property owner who claims an exemption under this section may require the property owner to provide copies of property records so the chief appraiser can determine the amount and value of goods-in-transit and that the location in this state where the goods-in-transit were detained for assembling, storing, manufacturing, processing, or fabricating purposes was not owned by or under the control of the owner of the goods-in-transit. If the property owner fails to deliver the information requested in the notice before the 31st day after the date the notice is delivered to the property owner, the property owner forfeits the right to claim or receive the exemption for that year.

(i) Property that meets the requirements of this section constitutes goods-in-transit regardless of whether the person who owns the property on January 1 is the person who transports it to another location in this state or outside this state.

(j) The governing body of a taxing unit, in the manner required for official action by the governing body, may provide for the taxation of goods-in-transit exempt under Subsection (b) and not exempt under other law. The official action to tax the goods-in-transit must be taken before January 1 of the first tax year in which the governing body proposes to tax goods-in-transit. Before acting to tax the exempt property, the governing body of the taxing unit must conduct a public hearing as required by Section 1-n(d), Article VIII, Texas Constitution, as

proposed by S.J.R. No. 6, 77th Legislature, Regular Session, 2001. If the governing body of a taxing unit provides for the taxation of the goods-in-transit as provided by this subsection, the exemption prescribed by Subsection (b) does not apply to that unit. The goods-in-transit remain subject to taxation by the taxing unit until the governing body of the taxing unit, in the manner required for official action, rescinds or repeals its previous action to tax goods-in-transit, or otherwise determines that the exemption prescribed by Subsection (b) will apply to that taxing unit.

(k) A property owner who receives the exemption from taxation provided by Subsection (b) is not eligible to receive the exemption from taxation provided by Section 11.251 for the same property.

SECTION ____ . Section 26.012(15), Tax Code, is amended to read as follows:

(15) "Lost property levy" means the amount of taxes levied in the preceding year on property value that was taxable in the preceding year but is not taxable in the current year because the property is exempt in the current year under a provision of this code other than Section 11.251 ~~or 11.253~~, the property has qualified for special appraisal under Chapter 23 ~~[of this code]~~ in the current year, or the property is located in territory that has ceased to be a part of the unit since the preceding year.

SECTION ____ . Section 403.302(d), Government Code, is amended to read as follows:

(d) For the purposes of this section, "taxable value" means the market value of all taxable property less:

(1) the total dollar amount of any residence homestead exemptions lawfully granted under Section 11.13(b) or (c), Tax Code, in the year that is the subject of the study for each school district;

(2) one-half of the total dollar amount of any residence homestead exemptions granted under Section 11.13(n), Tax Code, in the year that is the subject of the study for each school district;

(3) the total dollar amount of any exemptions granted before May 31, 1993, within a reinvestment zone under agreements authorized by Chapter 312, Tax Code;

(4) subject to Subsection (e), the total dollar amount of any captured appraised value of property that:

(A) is within a reinvestment zone created on or before May 31, 1999, or is proposed to be included within the boundaries of a reinvestment zone as the boundaries of the zone and the proposed portion of tax increment paid into the tax increment fund by a school district are described in a written notification provided by the municipality or the board of directors of the zone to the governing bodies of the other taxing units in the manner provided by Section 311.003(e), Tax Code, before May 31, 1999, and within the boundaries of the zone as those boundaries existed on September 1, 1999, including subsequent improvements to the property regardless of when made;

(B) generates taxes paid into a tax increment fund created under Chapter 311, Tax Code, under a reinvestment zone financing plan approved under Section 311.011(d), Tax Code, on or before September 1, 1999; and

(C) is eligible for tax increment financing under Chapter 311, Tax Code;

(5) the total dollar amount of any exemptions granted under Section 11.251 or 11.253, Tax Code;

(6) the difference between the comptroller's estimate of the market value and the productivity value of land that qualifies for appraisal on the basis of its productive capacity, except that the productivity value estimated by the comptroller may not exceed the fair market value of the land;

(7) the portion of the appraised value of residence homesteads of the elderly on which school district taxes are not imposed in the year that is the subject of the study, calculated as if the residence homesteads were appraised at the full value required by law;

(8) a portion of the market value of property not otherwise fully taxable by the district at market value because of:

(A) action required by statute or the constitution of this state that, if the tax rate adopted by the district is applied to it, produces an amount equal to the difference between the tax that the district would have imposed on the property if the property were fully taxable at market value and the tax that the district is actually authorized to impose on the property, if this subsection does not otherwise require that portion to be deducted; or

(B) action taken by the district under Subchapter B or C, Chapter 313, Tax Code;

(9) the market value of all tangible personal property, other than manufactured homes, owned by a family or individual and not held or used for the production of income;

(10) the appraised value of property the collection of delinquent taxes on which is deferred under Section 33.06, Tax Code;

(11) the portion of the appraised value of property the collection of delinquent taxes on which is deferred under Section 33.065, Tax Code; and

(12) the amount by which the market value of a residence homestead to which Section 23.23, Tax Code, applies exceeds the appraised value of that property as calculated under that section.

(2) Strike SECTION 7 of the bill (House Committee Printing page 4, line 25 through page 5, line 2), and substitute the following SECTION, appropriately numbered:

SECTION ____ . (a) Except as provided by Subsection (b) of this section:

(1) this Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution; and

(2) if this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.

(b) Section 11.253, Tax Code, as added by this Act, Section 26.012(15), Tax Code, as amended by this Act, and Section 403.302(d), Government Code, as amended by this Act, take effect January 1, 2004, and apply only to ad valorem taxes imposed for a tax year that begins on or after that date.

(3) Renumber the existing SECTIONS of the bill accordingly.

Amendment No. 2 was adopted without objection.

CSSB 1771 - STATEMENT OF LEGISLATIVE INTENT

REPRESENTATIVE SEAMAN: Thank you, Jim. I want to ask some questions to show legislative intent, and they go as follows. In Section 481.078, creating the Texas Enterprise Fund, Subsection (z) reads, "Except as provided by Subsection (d), the fund may be used only for economic development, infrastructure development, community development, job training programs, and business incentives." In the opinion of the author, would the economic development language used in this section include using the fund to attract new military missions to the State of Texas, if these missions would guarantee new jobs?

REPRESENTATIVE J. KEFFER: I think under the broad caption of this bill, that that would certainly be something that would—that would be looked at very favorably as far as this fund would be looking—you know, would be handling.

SEAMAN: Thank you, Jim. Next question—as an example of how the fund could be used—if San Antonio, for instance, had the opportunity to attract a new air force command for Randall Field that would add employment if it could renovate some office space on the base, would that qualify for a project under this section?

J. KEFFER: Again, not speaking for the governor and how it's going to be set up, but I definitely think that anything that would have to do with creation of jobs, job training, and, certainly, the rehabilitation of unused buildings and land would be under that umbrella.

SEAMAN: Thank you. The last one is: if the Corpus Christi area, for instance, had the opportunity to attract new operational or training missions that added employment if it could expand the waterfront and build a new wharf at Naval Air Station Ingleside, would that qualify as job creation under this section?

J. KEFFER: I don't see how it would not.

SEAMAN: Thank you.

REMARKS ORDERED PRINTED

Representative Seaman moved to print remarks between Representative Seaman and Representative J. Keffer.

The motion prevailed without objection.

CSSB 1771, as amended, was passed to third reading.

CSSB 1320 ON SECOND READING
(Capelo, Truitt, Naishtat, and Coleman - House Sponsors)

CSSB 1320, A bill to be entitled An Act relating to certain advance directives for medical treatment and medical treatment decisions.

CSSB 1320 was read second time on May 24 and was postponed until 10 a.m. today.

Amendment No. 1

Representative Capelo offered the following amendment to **CSSB 1320**:

SB 1320, as reported from committee, is amended as follows:

A. Strike SECTION 3 in its entirety, and renumber the remaining sections accordingly.

B. Section 166.046(b), Health and Safety Code, as amended by SECTION 5 is amended to read as follows:

(b) The patient or the person responsible for the health care decisions of the individual who has made the decision regarding the directive or treatment decision:

(1) may be given a written description of the ethics or medical committee review process and any other policies and procedures related to section 166.046 adopted by the health care facility;

(2)[(4)] shall be informed of the committee review process not less than 48 hours before the meeting called to discuss the patient's directive, unless the time period is waived by mutual agreement; [and]

(3)[(2)] at the time of being so informed, shall be provided:

(A) a copy of the appropriate statement set forth in Section 166.052;

and

(B) a copy of the registry list of health care providers and referral groups that have volunteered their readiness to consider accepting transfer or to assist in locating a provider willing to accept transfer that is posted on the website maintained by the Texas Health Care Information Council under Section 166.053;

and

(4)[(3)] is entitled to:

(A) attend the meeting; and

(B) receive a written explanation of the decision reached during the review process."

C. Section 166.052(a) and (b), Health and Safety Code, as added by SECTION 6, is amended as follows:

(1) On page 5, line 16, strike "he or she will request that" and between "case" and "be", insert "will";

(2) On page 5, line 23, strike "If you wish, you" and substitute "You";

(3) On page 6, line 12, strike "the requested";

(4) On page 6, line 21, strike "on the 11th day";

(5) On page 6, line 27 and page 7, line 1, strike "You will probably need a lawyer's help if you wish to consider seeking this type of extension.";

(6) On page 8, lines 3-4, strike "he or she will request that" and between "case" and "be", insert "will"; and

(7) On page 8, line 10, strike "If you wish, you" and substitute "You".

Amendment No. 1 was adopted without objection.

Amendment No. 2

Representative Rodriguez offered the following amendment to **CSSB 1320**:

Amend **CSSB 1320** by adding the following appropriately numbered section and renumbering subsequent sections accordingly:

SECTION ____. Section 166.085, Health and Safety Code, is amended to read as follows:

Sec. 166.085. EXECUTION OF OUT-OF-HOSPITAL DNR ORDER ON BEHALF OF A MINOR. (a) The following persons may execute an out-of-hospital DNR order on behalf of a minor:

- (1) the minor's parents;
- (2) the minor's legal guardian; or
- (3) the minor's managing conservator.

(b) A person listed under Subsection (a) may not execute an out-of-hospital DNR order unless the minor has been diagnosed by a physician as suffering from a terminal or irreversible condition.

Amendment No. 2 was adopted without objection.

CSSB 1320, as amended, was passed to third reading.

CSSB 265 ON SECOND READING (Grusendorf - House Sponsor)

CSSB 265, A bill to be entitled An Act relating to continuation and functions of the State Board for Educator Certification.

CSSB 265 was read second time on May 25 and was postponed until 10 a.m. today.

Representative Grusendorf moved to postpone consideration of **CSSB 265** until 10 a.m. tomorrow.

The motion prevailed without objection.

FIVE DAY POSTING RULE SUSPENDED

Representative Krusee moved to suspend the five day posting rule to allow the Committee on Transportation to have a public hearing.

The motion prevailed without objection.

COMMITTEE MEETING ANNOUNCEMENT

The following committee meeting was announced:

Transportation, 8 a.m. tomorrow, E2.012, for a public hearing, to consider transportation issues.

**MAJOR STATE CALENDAR
SENATE BILLS
THIRD READING**

The following bills were laid before the house and read third time:

**SB 286 ON THIRD READING
(Morrison and Gallego - House Sponsors)**

SB 286, A bill to be entitled An Act relating to the continuation and functions of the Texas Higher Education Coordinating Board.

Amendment No. 1

Representative Morrison offered the following amendment to **SB 286**:

Amend **SB 286** on third reading by inserting the following appropriately numbered SECTION and renumbering the other SECTIONS of the bill accordingly:

SECTION _____ Subchapter A, Chapter 130, Education Code, is amended by adding Section 130.0012 to read as follows:

Sec. 130.0012. PILOT PROJECT: BACCALAUREATE DEGREE PROGRAMS. (a) The Texas Higher Education Coordinating Board shall establish a pilot project to examine the feasibility and effectiveness of authorizing public junior colleges to offer baccalaureate degree programs in the fields of applied science and applied technology. Participation in the pilot project does not otherwise alter the role and mission of a public junior college.

(b) The coordinating board shall operate the pilot project at the following public junior colleges:

- (1) Brazosport College;
- (2) El Centro College of the Dallas County Community College

District:

- (3) Midland College;
- (4) North Harris Montgomery Community College District; and
- (5) South Texas Community College.

(c) A public junior college participating in the pilot project must meet all applicable accreditation requirements of the Commission on Colleges of the Southern Association of Colleges and Schools.

(d) A public junior college participating in the pilot project may not offer more than five baccalaureate degree programs under the project at any time. The degree programs are subject to the continuing approval of the coordinating board. In determining what baccalaureate degree programs are to be offered, the junior college and the coordinating board shall consider:

- (1) the need for the degree programs in the region served by the junior college;
- (2) how those degree programs would complement the other programs and course offerings of the junior college;
- (3) whether those degree programs would unnecessarily duplicate the degree programs offered by other institutions of higher education; and

(4) the ability of the junior college to support the program and the adequacy of the junior college's facilities, faculty, administration, libraries, and other resources.

(e) Each public junior college that offers a baccalaureate degree program under the pilot project must enter into an articulation agreement with one or more general academic teaching institutions to ensure that students enrolled in the degree program have an opportunity to complete the degree if the public junior college ceases to offer the degree program. The coordinating board may require a general academic teaching institution that offers a comparable degree program to enter into an articulation agreement with the public junior college as provided by this subsection.

(f) In its recommendations to the legislature relating to state funding for public junior colleges, the coordinating board shall recommend that a public junior college receive substantially the same state support for junior-level and senior-level courses offered under the pilot project as that provided to a general academic teaching institution for substantially similar courses. In determining the contact hours attributable to students enrolled in a junior-level or senior-level course offered under the pilot project used to determine a public junior college's proportionate share of state appropriations under Section 130.003, the coordinating board shall weigh those contact hours as necessary to provide the junior college the appropriate level of state support to the extent state funds for those courses are included in the appropriations. This subsection does not prohibit the legislature from directly appropriating state funds to support junior-level and senior-level courses offered under the pilot project.

(g) Each public junior college participating in the pilot project shall prepare a biennial report on the operation and effectiveness of the junior college's baccalaureate degree programs offered under the project and shall deliver a copy of the report to the coordinating board in the form and at the time determined by the coordinating board.

(h) Not later than January 1, 2009, the coordinating board shall prepare a progress report on the pilot project. Not later than January 1, 2011, the coordinating board shall prepare a report on the effectiveness of the pilot project, including any recommendations for legislative action regarding the offering of baccalaureate degree programs by public junior colleges. The coordinating board shall deliver a copy of each report to the governor, the lieutenant governor, the speaker of the house of representatives, and the chair of the standing committee of each house of the legislature with primary jurisdiction over higher education.

(i) Unless the authority to continue offering the baccalaureate degree programs is continued by the legislature, a public junior college may not:

(1) enroll a new student in a baccalaureate degree program under the pilot project after the 2011 fall semester;

(2) offer junior-level or senior-level courses for those degree programs after the 2015 fall semester, unless the coordinating board authorizes the college to offer those courses; or

(3) award a baccalaureate degree under the pilot project after the 2015 fall semester, unless the coordinating board approves the awarding of the degree.

(j) The coordinating board shall prescribe procedures to ensure that each public junior college that offers a degree program under the pilot project informs each student who enrolls in the degree program of:

(1) the nature of the pilot project, including the limited duration of the project; and

(2) the articulation agreement entered into under Subsection (e) for the student's degree program.

(k) This section expires January 1, 2020.

Amendment No. 1 was adopted without objection.

Amendment No. 2

Representative Chavez offered the following amendment to **SB 286**:

Amend **SB 286** on third reading by adding the following appropriately numbered SECTION and renumbering the other SECTIONS of the bill accordingly:

SECTION 1. Chapter 56, Education Code, is amended by adding Subchapter F to read as follows:

SUBCHAPTER F. DOCTORAL INCENTIVE LOAN REPAYMENT PROGRAM

Sec. 56.091. ESTABLISHMENT; ADMINISTRATION. (a) The Texas Higher Education Coordinating Board shall establish and administer the doctoral incentive loan repayment program as provided by this subchapter and shall adopt rules as necessary to administer the program.

(b) The purpose of the doctoral incentive loan repayment program is to provide education loan repayment assistance to individuals from groups that are underrepresented among the faculty and administration of public and independent institutions of higher education in this state to increase the number of individuals from those underrepresented groups among the faculty and administration of public and independent institutions of higher education in this state.

(c) For purposes of this subchapter, an individual is from a group that is underrepresented among the faculty and administration of public and independent institutions of higher education in this state if:

(1) the individual was from a low socioeconomic background while pursuing the individual's undergraduate education; or

(2) when the individual graduated from high school the individual resided in an area from which a disproportionately low number of high school graduates enrolled in postsecondary educational institutions.

Sec. 56.092. ELIGIBILITY. To be eligible for loan repayment assistance under the doctoral incentive loan repayment program, an individual must:

(1) be employed as a full-time faculty or administration member in a public or independent institution of higher education in this state for at least one year;

(2) be a Texas resident;

(3) be from a group that is underrepresented among the faculty and administration of public and independent institutions of higher education in this state;

(4) have qualified for student financial aid based on financial need while enrolled in a graduate-level degree program; and

(5) comply with any other requirements adopted by the coordinating board for the effective administration of the program.

Sec. 56.093. ELIGIBLE LOANS. The coordinating board may provide repayment assistance under the doctoral incentive loan repayment program for the payment of any education loan received by an eligible individual through any lender.

Sec. 56.094. LOAN REPAYMENT ASSISTANCE. (a) The coordinating board may provide assistance in the repayment of an eligible loan to an eligible individual in the amounts and under the terms the coordinating board considers appropriate to further the purposes of the doctoral incentive loan repayment program and the best interests of this state.

(b) An individual may receive loan repayment assistance under the doctoral incentive loan repayment program in a total amount not to exceed \$100,000.

Sec. 56.095. FUNDING; LIMITATION ON FUNDING. (a) The doctoral incentive loan repayment program may be funded only from a source provided by this section. The total amount of loan repayment assistance paid under the program may not exceed the amount of money available for the program under this section.

(b) Each institution of higher education shall set aside a portion of the tuition collected from each student enrolled in a doctoral degree program, other than a law or health professional degree program, equal to \$2 for each semester credit hour for which the student is enrolled. The amount set aside shall be transferred to the comptroller to be maintained in the state treasury for the sole purpose of repayment of student loans of individuals employed as faculty and administrators at institutions of higher education in this state as provided by this subchapter. The money may be used only to provide loan repayment under this subchapter and to cover the costs of administering this subchapter.

(c) The coordinating board may solicit and accept gifts and grants from any public or private source for the purposes of the doctoral incentive loan repayment program.

Sec. 56.096. INITIAL IMPLEMENTATION (a) The board shall provide loan repayments under this subchapter beginning with the 2004-2005 academic year.

(b) The board shall adopt the initial rules for awarding loan repayment under this subchapter as soon as practicable after this subchapter becomes law. The board may adopt those initial rules in the manner provided by law for emergency rules

(c) This section expires January 1, 2006.

Amendment No. 3

Representatives Chavez and F. Brown offered the following amendment to Amendment No. 2:

Substitute for the Chavez amendment on **SB 286** on third reading by adding the following appropriately numbered SECTION and renumbering the other SECTIONS of the bill accordingly:

SECTION _____. Chapter 56, Education Code, is amended by adding Subchapter F to read as follows:

SUBCHAPTER F. DOCTORAL INCENTIVE LOAN REPAYMENT PROGRAM

Sec. 56.091. ESTABLISHMENT; ADMINISTRATION. (a) The Texas Higher Education Coordinating Board shall establish and administer the doctoral incentive loan repayment program as provided by this subchapter and shall adopt rules as necessary to administer the program.

(b) The purpose of the doctoral incentive loan repayment program is to provide education loan repayment assistance to individuals from groups that are underrepresented among the faculty and administration of public and independent institutions of higher education in this state to increase the number of individuals from those underrepresented groups among the faculty and administration of public and independent institutions of higher education in this state.

(c) For purposes of this subchapter, an individual is from a group that is underrepresented among the faculty and administration of public and independent institutions of higher education in this state if:

(1) the individual was from a low socioeconomic background while pursuing the individual's undergraduate education; or

(2) when the individual graduated from high school the individual resided in an area from which a disproportionately low number of high school graduates enrolled in postsecondary educational institutions.

Sec. 56.092. ELIGIBILITY. To be eligible for loan repayment assistance under the doctoral incentive loan repayment program, an individual must:

(1) be employed as a full-time faculty or administration member in a public or independent institution of higher education in this state for at least one year;

(2) be a Texas resident;

(3) be from a group that is underrepresented among the faculty and administration of public and independent institutions of higher education in this state;

(4) have qualified for student financial aid based on financial need while enrolled in a graduate-level degree program; and

(5) comply with any other requirements adopted by the coordinating board for the effective administration of the program.

Sec. 56.093. ELIGIBLE LOANS. The coordinating board may provide repayment assistance under the doctoral incentive loan repayment program for the repayment of any EDUCATION loan received by an eligible individual through any lender.

Sec. 56.094. LOAN REPAYMENT ASSISTANCE. (a) The coordinating board may provide assistance in the repayment of an eligible loan to an eligible individual in the amounts and under the terms the coordinating board considers appropriate to further the purposes of the doctoral incentive loan repayment program and the best interests of this state.

(b) An individual may receive loan repayment assistance under the doctoral incentive loan repayment program in a total amount not to exceed \$100,000.

Sec. 56.095. FUNDING; LIMITATION ON FUNDING. (a) The doctoral incentive loan repayment program may be funded only from a source provided by this section. The total amount of loan repayment assistance paid under the program may not exceed the amount of money available for the program under this section.

(b) Each institution of higher education shall set aside a portion of the tuition collected from each student enrolled in a doctoral degree program, other than a law or health professional degree program, equal to \$2 for each semester credit hour for which the student is enrolled. The amount set aside shall be transferred to the comptroller to be maintained in the state treasury for the sole purpose of repayment of student loans of individuals employed as faculty and administrators at institutions of higher education in this state as provided by this subchapter. The money may be used only to provide loan repayment under this subchapter and to cover the costs of administering this subchapter.

(c) The coordinating board may solicit and accept gifts and grants from any public or private source for the purposes of the doctoral incentive loan repayment program.

Sec. 56.096. INITIAL IMPLEMENTATION (a) The board shall provide loan repayments under this subchapter beginning with the 2004-2005 academic year.

(b) The board shall adopt the initial rules for awarding loan repayment under this subchapter as soon as practicable after this subchapter becomes law. The board may adopt those initial rules in the manner provided by law for emergency rules

(c) This section expires January 1, 2006.

Amendment No. 3 was adopted without objection.

Amendment No. 2, as amended, was adopted without objection.

Amendment No. 4

Representatives Solis and Escobar offered the following amendment to **SB 286**:

Amend **SB 286** on third reading by adding the following appropriately numbered SECTIONS and renumbering the other SECTIONS accordingly:

SECTION ____. The legislature finds that:

(1) it is vital to the economy of this state that all areas of the state have access to quality higher education;

(2) it is in the interest of all residents of this state that a sufficiently funded higher education infrastructure exist that affords those residents opportunities to become educated and productive members of the state's economy; and

(3) the Texas Higher Education Coordinating Board's report on closing the gaps provides the state a blueprint for meeting its current and future higher education needs.

SECTION _____. (a) An interim committee is established to study higher education funding formulas. The interim committee is composed of:

(1) three members of the senate appointed by the lieutenant governor; and

(2) three members of the house of representatives appointed by the speaker of the house.

(b) The membership of the committee from each house must be representative of all geographic areas of the state.

(c) The committee shall select a presiding officer from among its membership and shall meet at the call of the presiding officer.

(d) The committee shall:

(1) study the adequacy, availability, and equity of higher education funding and its relationship to closing the gaps, including factors such as per capita income, employment rate, percentage without college degrees, percentage of fall enrollment growth, and projected enrollment growth in the region served; and

(2) develop recommendations based on the study for changes in higher education funding formulas that maximize the state's limited resources to promote a skilled and viable workforce and to meet the needs of our diverse state economy.

(e) Not later than November 1, 2004, the committee shall prepare a report describing its recommendations and shall deliver the report to the governor, the lieutenant governor, and the speaker of the house of representatives.

(f) The committee shall adopt procedures to administer this section.

(g) Not later than November 1, 2003, the lieutenant governor and the speaker of the house of representatives shall appoint the members of the interim committee.

(h) The committee is abolished and this section expires September 1, 2005.

Amendment No. 4 was withdrawn.

Amendment No. 5

Representative Alonzo offered the following amendment to **SB 286**:

Amend **SB 286** on third reading by adding the following new appropriately numbered SECTION and renumbering the subsequent SECTIONS accordingly:

SECTION _____. Subchapter A, Chapter 130, Education Code, is amended by adding Section 130.0102 to read as follows:

Sec. 130.0102. MEXICAN-AMERICAN STUDIES PROGRAM OR COURSE WORK. The governing board of a public junior college district located in one or more counties with a substantial and growing

Mexican-American population shall evaluate the demand for and feasibility of establishing a Mexican-American studies program or other course work in Mexican-American studies at one or more junior colleges in the district. With approval of the Texas Higher Education Coordinating Board, the governing board may establish a Mexican-American studies program or other course work in Mexican-American studies at any of the colleges if the governing board determines that such a program or course work is desirable and feasible.

Amendment No. 5 was adopted without objection.

SB 286, as amended, was passed.

**SB 16 ON THIRD READING
(Woolley - House Sponsor)**

SB 16, A bill to be entitled An Act relating to mentoring services programs for at-risk students in public schools.

Amendment No. 1

Representative Howard offered the following amendment to **SB 16**:

Amend **SB 16** on third reading in SECTION 1 of the bill, in added Section 29.089(d), Education Code (House Committee Printing, page 1, line 19), after "program.", by inserting the following:

The board may not permit a student to participate in a mentoring services program implemented by a private community-based organization:

(1) unless the board first notifies the parent or guardian of the student of the identity of the organization; or

(2) if the organization promotes or condones illegal behavior.

Amendment No. 1 was adopted without objection.

SB 16, as amended, was passed.

**SB 10 ON THIRD READING
(Smithee - House Sponsor)**

SB 10, A bill to be entitled An Act relating to the creation of employer health benefit plan groups.

SB 10 was passed.

**MAJOR STATE CALENDAR
SENATE BILLS
SECOND READING**

The following bills were laid before the house and read second time:

**SB 1862 ON SECOND READING
(Wohlgemuth - House Sponsor)**

SB 1862, A bill to be entitled An Act relating to health and human services.

Amendment No. 1

Representative Wohlgemuth offered the following amendment to **SB 1862**:

Amend **SB 1862** by inserting the following new SECTION, appropriately numbered, and renumbering subsequent sections accordingly:

SECTION ____ . (a) Section 31.032 (d), Human Resources Code, is amended to read as follows:

(d) In determining whether an applicant is eligible for assistance, the department shall exclude from the applicant's available resources:

(1) \$1,000 [~~\$2,000~~] for the applicant's household, including a household in which there is [~~or \$3,000 if there is~~] a person with a disability or a person who is at least 60 years of age [~~in the applicant's household~~]; and

(2) the fair market value of the applicant's ownership interest in a motor vehicle, but not more than the amount determined according to the following schedule:

(A) \$4,550 on or after September 1, 1995, but before October 1, 1995;

(B) \$4,600 on or after October 1, 1995, but before October 1, 1996;

(C) \$5,000 on or after October 1, 1996, but before October 1, 1997;

and

(D) \$5,000 plus or minus an amount to be determined annually beginning October 1, 1997, to reflect changes in the new car component of the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics.

(b) Section 31.032(d), Human Resources Code, as amended by this section, applies to a person receiving financial assistance on or after the effective date of the Act, regardless of the date on which eligibility for financial assistance was determined.

Amendment No. 1 was adopted without objection.

Amendment No. 2

Representative Wohlgemuth offered the following amendment to **SB 1862**:

Amend **SB 1862** by inserting the following new SECTION, and renumber the remaining SECTIONS accordingly:

SECTION ____ . (a) Section 32.024(w), Human Resources Code, is amended to read as follows: (w) The department shall set a personal needs allowance of not less than \$45 [~~\$60~~] a month for a resident of a convalescent or nursing home or related institution licensed under Chapter 242, Health and Safety Code, personal care facility, ICF-MR facility, or other similar long-term care facility who receives medical assistance. The department may send the personal needs allowance directly to a resident who receives Supplemental Security Income (SSI) (42 U.S.C. Section 1381 et seq.). This subsection does not apply to a resident who is participating in a medical assistance waiver program administered by the department.

(b) Section 32.024(w), Human Resources Code, as amended by this section, applies only to a personal needs allowance paid on or after the effective date of this Act.

SB 1862 - STATEMENT OF LEGISLATIVE INTENT
Amendment No. 2

REPRESENTATIVE THOMPSON: I'd like to ask you some questions for legislative intent, and I'd like them to be recorded in the journal.

REPRESENTATIVE WOHLGEMUTH: Yes, ma'am.

THOMPSON: Would you tell me—I did not hear your explanation a moment ago. What is a personal needs allowance—who qualifies for a personal needs allowance?

WOHLGEMUTH: Nursing facility—nursing home and certain nursing facility.

THOMPSON: What kind of nursing—certain nursing facilities—nursing home facilities?

WOHLGEMUTH: This would be personal care facilities, ICFRM facility, or other similar long-term care facilities who receive medical assistance.

THOMPSON: And what is the purpose of the \$60 that they presently receive?

WOHLGEMUTH: To buy personal needs.

THOMPSON: Such as?

WOHLGEMUTH: As you have, on several occasions, informed the house—

THOMPSON: Such as?

WOHLGEMUTH: Toothpaste—

THOMPSON: I can't hear you. Mr. Speaker, may we have order?

WOHLGEMUTH: These are the items that you have so graphically portrayed to the Texas House on numerous occasions, which we voted to increase—to increase the money for last legislative session. And now this legislative session, we're returning it to \$45 a month.

THOMPSON: Would you tell me what those items are, please?

WOHLGEMUTH: Toothpaste.

THOMPSON: Toothpaste.

WOHLGEMUTH: Diapers.

THOMPSON: Diapers.

WOHLGEMUTH: I think you're better prepared to enumerate them than I.

THOMPSON: I thank you so much for your kindness, but since I have the privilege of asking the questions, would you allow me to continue?

WOHLGEMUTH: Perhaps you can ask leading questions.

THOMPSON: What other items?

WOHLGEMUTH: I'm sorry, I don't recall.

THOMPSON: So the only thing you know that these people may be using these things for, is toothpaste and diapers?

WOHLGEMUTH: I would assume that any kind of toiletry items that they needed would be a part of this.

THOMPSON: Would tennis shoes be a part of that? Tennis shoes?

WOHLGEMUTH: I assume so. I don't know.

THOMPSON: Would their pants be a part of that?

WOHLGEMUTH: I do not know.

THOMPSON: Would a shirt be a part of that?

WOHLGEMUTH: I do not know.

THOMPSON: Would a sweater be a part of that?

WOHLGEMUTH: I do not know. I assume so. I assume that what you are saying is correct.

THOMPSON: Would a bra be a part of that?

WOHLGEMUTH: I assume so.

THOMPSON: Would a slip be a part of that?

WOHLGEMUTH: All of the personal care items would be listed there.

THOMPSON: So the personal—the things that I'm calling off, like shoes, and socks, and diapers, and toothpaste, and mouthwash, and polygrip, and underwear, and shampoo, all would be a part of that, right?

WOHLGEMUTH: As far as I know, I believe you are correct.

THOMPSON: And what is the percentage of cuts that this area is receiving?

WOHLGEMUTH: Well, I would assume that's a 25 percent cut.

THOMPSON: 25 percent? So we are cutting the poor of the poorest 25 percent?

WOHLGEMUTH: I believe that—

THOMPSON: People who are in nursing homes, who don't have any way to get any increase in income, we're cutting them 25 percent, so that they're going to be—going to be unable to buy 25 percent less needed items while they're in the nursing home?

WOHLGEMUTH: I believe, to your credit, that this was \$30, and then you were successful in raising it to \$45, and then you were successful in raising it to \$60. And this takes it back to the \$45 level.

THOMPSON: And it cuts it back 25 percent.

WOHLGEMUTH: And this also says that this is not less than \$45 a month.

REMARKS ORDERED PRINTED

Representative Thompson moved to print remarks between Representative Thompson and Representative Wohlgemuth.

The motion prevailed without objection.

Amendment No. 2 was withdrawn.

Amendment No. 3

Representative Wohlgenuth offered the following amendment to **SB 1862**:

Amend **SB 1862** by amending Sections 32.024(i) and 32.027(b) and (e), Human Resources Code to read as follows:

Section 32.024(i), Human Resources Code. i) Subject to appropriated state funds, the [The] department in its adoption of rules shall establish a medically needy program that serves pregnant women, children, and caretakers who have high medical expenses.

Section 32.027(b) and (e), Human Resources Code.

(b) Subject to appropriated state funds, the [The] department shall assure that a recipient of medical assistance under this chapter may select a licensed podiatrist to perform any foot health care service or procedure covered under the medical assistance program if the podiatrist is authorized by law to perform the service or procedure. This subsection shall be liberally construed.

(e) Subject to appropriated state funds, the [The] department shall assure that a recipient of medical assistance under this chapter may select a licensed psychologist or a licensed marriage and family therapist, as defined by Section 502.002, Occupations Code, to perform any health care service or procedure covered under the medical assistance program if the selected psychologist or marriage and family therapist is authorized by law to perform the service or procedure. This subsection shall be liberally construed.

Amendment No. 3 was adopted without objection.

Amendment No. 4

Representative Wohlgenuth offered the following amendment to **SB 1862**:

Amend **SB 1862** by adding the following new SECTIONS, appropriately numbered, and renumber subsequent SECTIONS appropriately:

SECTION _____. Section 10(c), Chapter 584, Acts of the 77th Legislature, Regular Session, 2001, is amended to read as follows:

(c) The Health and Human Services Commission or the appropriate state agency operating part of the medical assistance program under Chapter 32, Human Resources Code, shall adopt rules required by Section 32.0261, Human Resources Code, as added by this Act, so that the rules take effect in accordance with that section not earlier than September 1, 2002, or later than June 1, 2005 [2003]. The rules must provide for a 12-month period of continuous eligibility in accordance with that section for a child whose initial or continued eligibility is determined on or after the effective date of the rules.

SECTION _____. Section 32.025(e), Human Resources Code, is amended to read as follows:

(e) The department shall permit an application requesting medical assistance for a child under 19 years of age to be conducted by mail instead of through a personal appearance at a department office, unless the department determines that the information needed to verify eligibility cannot be obtained in that manner. The department by rule may develop procedures requiring an application for a child described by this subsection to be conducted through a

personal interview with a department representative only if the department determines that information needed to verify eligibility cannot be obtained in any other manner.

SECTION _____. Section 32.026, Human Resources Code, is amended by amending Subsection (e) and adding Subsection (g) to read as follows:

(e) The department shall permit a recertification review of the eligibility and need for medical assistance of a child under 19 years of age to be conducted by telephone or mail instead of through a personal appearance at a department office, unless the department determines that the information needed to verify eligibility cannot be obtained in that manner. The department by rule may develop procedures to determine whether there is a need for a recertification review of a child described by this subsection to be conducted through a personal interview with a department representative. Procedures developed under this subsection shall be based on objective, risk-based factors and conditions and shall focus on a targeted group of recertification reviews for which there is a high probability that eligibility will not be recertified.

(g) Notwithstanding any other provision of this code, the department may use information obtained from a third party to verify the assets and resources of a person for purposes of determining the person's eligibility and need for medical assistance. Third-party information includes information obtained from:

(1) a consumer reporting agency, as defined by Section 20.01, Business & Commerce Code;

(2) an appraisal district; or

(3) the Texas Department of Transportation's vehicle registration record database.

SECTION _____. In the event of a conflict between a provision of this Act and another Act passed by the 78th Legislature, Regular Session, 2003, that becomes law, this Act prevails and controls regardless of the relative dates of enactment.

SECTION _____. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

Amendment No. 5

Representative Delisi offered the following amendment to Amendment No. 4:

Amend the Wohlgemuth amendment to **SB 1862** in the following way:

On page 1, lines 12-13 of the amendment delete the words "2002, or later than June 1,".

Amendment No. 5 was adopted without objection.

Amendment No. 4, as amended, was adopted without objection.

Amendment No. 6

Representative Delisi offered the following amendment to **SB 1862**:

Amend **SB 1862** by adding the following appropriately numbered section and renumbering subsequent sections of the bill accordingly:

SECTION _____. Subchapter B, Chapter 32, Human Resources Code, is amended by adding Section 32.0462 to read as follows:

Sec. 32.0462. VENDOR DRUG PROGRAM; PRICING STANDARD. (a) Notwithstanding any other provision of state law, the department shall:

(1) consider a nationally recognized, unbiased pricing standard for prescription drugs in determining reimbursement amounts under the vendor drug program; and

(2) update reimbursement amounts under the vendor drug program at least weekly.

(b) The commissioner shall adopt rules implementing this section. In adopting rules, the commissioner shall ensure that implementation of this section does not adversely affect the amount of federal funds available to the state for providing benefits under the vendor drug program.

A record vote was requested.

Amendment No. 6 was adopted by (Record 733): 138 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Bailey; Baxter; Berman; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Burnam; Campbell; Canales; Capelo; Casteel; Castro; Chavez; Chisum; Christian; Cook, B.; Cook, R.; Corte; Crabb; Crownover; Davis, J.; Davis, Y.; Dawson; Delisi; Denny; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Eiland; Eissler; Elkins; Ellis; Escobar; Farabee; Farrar; Flores; Flynn; Gallego; Garza; Gattis; Geren; Giddings; Goodman; Griggs; Grusendorf; Guillen; Gutierrez; Haggerty; Hamilton; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hilderbran; Hill; Hochberg; Hodge; Homer; Hope; Hopson; Howard; Hughes; Hunter; Hupp; Isett; Jones, D.; Jones, E.; Jones, J.; Keel; Keffer, B.; Keffer, J.; King; Kolkhorst; Krusee; Kuempel; Laney; Laubenberg; Lewis; Luna; Mabry; Madden; Marchant; Martinez Fischer; McCall; McClendon; McReynolds; Menendez; Mercer; Merritt; Moreno, J.; Moreno, P.; Morrison; Mowery; Naishtat; Nixon; Noriega; Olivo; Paxton; Peña; Phillips; Pickett; Puente; Quintanilla; Raymond; Reyna; Riddle; Ritter; Rodriguez; Rose; Smith, T.; Smith, W.; Solis; Solomons; Stick; Swinford; Talton; Taylor; Telford; Thompson; Truitt; Turner; Uresti; Van Arsdale(C); Villarreal; West; Wilson; Wise; Wong; Woolley; Zedler.

Present, not voting — Mr. Speaker.

Absent, Excused, Committee Meeting — Heflin; Pitts.

Absent — Callegari; Coleman; Goolsby; Miller; Oliveira; Seaman; Smithee; Wohlgenuth; Wolens.

STATEMENT OF VOTE

When Record No. 733 was taken, I was in the house but away from my desk. I would have voted yes.

Miller

BILLS AND RESOLUTIONS SIGNED BY THE SPEAKER

Notice was given at this time that the speaker had signed bills and resolutions in the presence of the house (see the addendum to the daily journal, Signed by the Speaker, Senate List No. 37).

SB 1862 - (consideration continued)**SB 1862 - STATEMENT OF LEGISLATIVE INTENT**

REPRESENTATIVE McCLENDON: Representative Wohlgemuth, let me refer you to Section 5 of the bill regarding privatization.

REPRESENTATIVE WOHLGEMUTH: Yes.

McCLENDON: Notwithstanding any other statute of this state, each Health and Human Services agency, as defined such-and-such-and-such, Number 3, entering into a contract with another governmental entity or with a private vendor, to carry out any of the agency's duties. My question is, am I correct that this provision would allow a Health and Human Services agency to privatize any and all functions during the upcoming biennium without any other, or any more specific, legislative authorization?

WOHLGEMUTH: Are we on page 3, line 25?

McCLENDON: I don't have the copy of the bill that you have, so I don't know what page it's on. But it's Section 5, Number 3. You want me to come down?

WOHLGEMUTH: I see it.

McCLENDON: OK. Should I ask my question again?

WOHLGEMUTH: No, let me think.

McCLENDON: OK.

WOHLGEMUTH: I believe that that is what is said.

McCLENDON: So, the answer is that all functions during the upcoming biennium—the agency could privatize and would not have to have any other—or any specific legislative authorization in order to do that?

WOHLGEMUTH: That is correct.

McCLENDON: Would there be any limits at all to this? Are there any programs or Health and Human Services functions that could not be privatized under this very, very broad authority that we are giving to Health and Human Services under this legislation?

WOHLGEMUTH: Not according to this legislation.

McCLENDON: I believe there are specific provisions that were passed out of this house, out of **HB 2292** authorizing privatization of some Health and Human Services functions, like eligibility determination. Can you tell me, Representative Wohlgemuth, what other privatization is being contemplated here with this piece of legislation?

WOHLGEMUTH: None.

McCLENDON: Could you please tell me, why is this wide open authority needed?

WOHLGEMUTH: I'm sorry. Would you repeat that question?

McCLENDON: Why is this wide open, unending authority needed?

WOHLGEMUTH: I'm not advised.

McCLENDON: Well, if you're not advised about that, can you tell me—is it really needed?

WOHLGEMUTH: Not advised.

McCLENDON: My last question: are we, as a legislative body, abdicating legislative authority with this particular piece of legislation?

WOHLGEMUTH: Well, I believe that the purpose of this was to do what is outlined in **HB 2292**, and to allow us to then—the things that were in that bill were the call centers, and were the medical transportation that we discussed.

McCLENDON: Thank you, Ms. Wohlgemuth.

REMARKS ORDERED PRINTED

Representative McClendon moved to print remarks between Representative McClendon and Representative Wohlgemuth.

The motion prevailed without objection.

SB 1862 - STATEMENT OF LEGISLATIVE INTENT

REPRESENTATIVE NAISHTAT: Arlene, you made a statement earlier, which I want to get reduced to writing and put in the record, concerning a clarification that the changes in the asset limit that was made applies to applicants for financial assistance. So I would ask you to repeat your comments, and then we can—

REPRESENTATIVE WOHLGEMUTH: The asset limit applies to Chapter 1—31, rather—Chapter 31, which has to do with temporary aid to needy families. It does not apply to Chapter 32 which has to do with Medicaid. Now, to the extent that TANF determines Medicaid eligibility, only to that extent would the income—would the asset limitation apply. The asset limitation is only for TANF, and it's not for Medicaid eligibility per se.

NAISHTAT: Thank you very much.

REMARKS ORDERED PRINTED

Representative Naishtat moved to print remarks between Representative Naishtat and Representative Wohlgemuth.

The motion prevailed without objection.

(Heflin now present)

Amendment No. 7

Representative McClendon offered the following amendment to **SB 1862**:

Amend **SB 1862** in SECTION 5 of the bill (House Committee Printing, page 4, lines 6-8), by striking Subdivision (3) of the SECTION and renumbering subsequent Subdivisions accordingly.

Amendment No. 7 was adopted without objection.

SB 1862, as amended, was passed to third reading.

POSTPONED BUSINESS

The following bills were laid before the house as postponed business:

CSSB 266 ON SECOND READING (Gallego and Hartnett - House Sponsors)

CSSB 266, A bill to be entitled An Act relating to the continuation and functions of the Board of Law Examiners.

CSSB 266 was read second time on May 25, amended, taken up as pending business today, and was postponed until 2:30 p.m.

The motion to reconsider Amendment No. 2 was pending at the time of postponement.

A record vote was requested.

The motion to reconsider was lost by (Record 734): 52 Yeas, 75 Nays, 13 Present, not voting.

Yeas — Allen; Berman; Bohac; Callegari; Chavez; Chisum; Christian; Corte; Davis, J.; Delisi; Denny; Deshotel; Dukes; Elkins; Flores; Flynn; Garza; Giddings; Guillen; Haggerty; Hamric; Hardcastle; Harper-Brown; Heflin; Hill; Hodge; Howard; Hupp; Isett; Jones, D.; Jones, E.; Jones, J.; Laubenberg; Lewis; Madden; McClendon; Miller; Moreno, J.; Mowery; Phillips; Seaman; Smith, W.; Swinford; Taylor; Thompson; Truitt; West; Wilson; Wohlgemuth; Wong; Woolley; Zedler.

Nays — Alonzo; Baxter; Branch; Brown, B.; Brown, F.; Burnam; Campbell; Canales; Capelo; Casteel; Castro; Cook, B.; Cook, R.; Crabb; Crownover; Dawson; Dunnam; Dutton; Edwards; Eissler; Ellis; Escobar; Farabee; Gallego; Gattis; Goodman; Goolsby; Griggs; Grusendorf; Hamilton; Hartnett; Hegar; Homer; Hope; Hopson; Hughes; Hunter; Keffer, B.; Keffer, J.; Kolkhorst; Kuempel; Luna; Mabry; Marchant; Martinez Fischer; McCall; McReynolds; Menendez; Mercer; Merritt; Moreno, P.; Morrison; Naishtat; Noriega; Oliveira; Olivo; Paxton; Peña; Pickett; Puente; Raymond; Riddle; Ritter; Rodriguez; Rose; Smith, T.; Solomons; Talton; Telford; Turner; Uresti; Van Arsdale(C); Villarreal; Wise; Wolens.

Present, not voting — Mr. Speaker; Bonnen; Eiland; Farrar; Geren; Gutierrez; Hilderbran; Hochberg; Keel; Laney; Nixon; Quintanilla; Stick.

Absent, Excused, Committee Meeting — Pitts.

Absent — Bailey; Coleman; Davis, Y.; Driver; King; Krusee; Reyna; Smithee; Solis.

CSSB 266, as amended, was passed to third reading.

MESSAGE FROM THE SENATE

A message from the senate was received at this time (see the addendum to the daily journal, Messages from the Senate, Message No. 2).

MAJOR STATE CALENDAR

(consideration continued)

SB 1731 ON SECOND READING

(Chisum and Farabee - House Sponsors)

SB 1731, A bill to be entitled An Act relating to fees imposed by certain counties for the preservation, restoration, and management of certain county records.

SB 1731 was passed to third reading. (Keel recorded voting no)

REASON FOR VOTE

This bill imposes a fee for a basic county government service, and thus is essentially a tax.

Keel

CSSB 1369 ON SECOND READING

(Delisi - House Sponsor)

CSSB 1369, A bill to be entitled An Act relating to certain group benefits for retired school employees.

(Canales in the chair)

Amendment No. 1

Representative Delisi offered the following amendment to **CSSB 1369**:

Amend **CSSB 1369** as follows:

(1) Strike SECTION 8 of the bill (page 6, lines 8-22, house committee printing) and renumber the SECTIONS of the bill accordingly.

(2) In the recital to SECTION 9 of the bill (page 6, lines 24-25, house committee printing), strike "Sections 1575.211 and 1575.212" and substitute "Section 1575.211".

(3) In SECTION 9 of the bill, strike added Section 1575.211, Insurance Code (page 6, line 26, through page 7, line 7, house committee printing).

(4) In SECTION 9 of the bill, renumber added Section 1575.212, Insurance Code (page 7, lines 8-22, house committee printing), as Section 1575.211, Insurance Code.

(5) In SECTION 9 of the bill, in renumbered added Section 1575.211(a), Insurance Code (page 7, line 10, house committee printing), strike "under Section 1575.211".

(6) In SECTION 9 of the bill, in renumbered added Section 1575.211(b), Insurance Code (page 7, line 20, house committee printing), strike "under Section 1575.211".

(7) In SECTION 10 of the bill, strike Subdivision (1) of that SECTION (page 7, lines 24-25, house committee printing), and substitute the following:

"(1) Sections 1575.154 and 1575.204, Insurance Code, as effective June 1, 2003; and".

(8) Strike SECTION 12 of the bill (page 8, lines 9-12) and substitute the following:

SECTION 12. The changes in law made by this Act to Subsection (a), Section 1575.202 and Subsection (a), Section 1575.203, Insurance Code, take effect September 1, 2003.

Amendment No. 1 was adopted without objection.

Amendment No. 2

Representative Delisi offered the following amendment to **CSSB 1369**:

Amend **CSSB 1369** by inserting the following new SECTIONS, appropriately numbered, and renumbering SECTIONS of the bill accordingly:

SECTION _____. Subchapter F, Chapter 2054, Government Code, is amended by adding Section 2054.131 to read as follows:

Sec. 2054.131. ELECTRONIC BENEFITS ENROLLMENT AND ADMINISTRATION SYSTEM. (a) In this section, "work site benefits plan" means a plan or other arrangement to provide to officers, employees, or former officers or employees:

(1) insurance, including health, life, and disability insurance and health benefits plans;

(2) flexible spending accounts; or

(3) savings or retirement benefits.

(b) If the comptroller determines that a cost savings may be realized, the comptroller, through a private vendor selected under this section, may implement a project that establishes a common electronic infrastructure through which each state agency, including any retirement system created by statute or by the constitution, shall:

(1) require its work site benefits plan participants to electronically:

(A) enroll in any work site benefits plans provided to the person by the state or a state agency;

(B) add, change, or delete benefits;

(C) sign any payroll deduction agreements to implement a contribution made to a plan in which the participant enrolls;

(D) terminate participation in a voluntary plan;

(E) initiate account investment changes and withdrawals in a retirement plan;

(F) obtain information regarding plan benefits; and

(G) communicate with the plan administrator; and

(2) administer its work site benefits plans electronically by using the project to:

(A) enroll new plan participants and, when appropriate, terminate plan participation;

(B) generate eligibility and enrollment reports for plan participants;

(C) link plan administration with payroll administration to facilitate payroll deductions for a plan;

(D) facilitate single-source billing arrangements between the agency and a plan provider; and

(E) transmit and receive information regarding the plan.

(c) The electronic infrastructure established under Subsection (a) may include TexasOnline, the Internet, intranets, extranets, and wide area networks.

(d) If the comptroller implements an electronic infrastructure project under this section, the comptroller shall select and contract with a single private vendor to implement the project. The contract must require the application of the project to all state agencies without cost to the state until the project is initially implemented.

(e) The private vendor selected under Subsection (d) must offer existing information resources technology for use in the project that:

(1) will be available to all state agencies, including retirement systems;

(2) includes each agency's work site benefits plan participants;

(3) will use, to the extent possible, the department's information technology standards, including information security, privacy and disaster recovery, and Internet-based technology standards;

(4) includes applications and a supporting platform that are already developed and used in connection with the electronic enrollment of work site benefits plans offered by other multiple plan providers;

(5) is available for use with a wide variety of plan and benefit providers;

(6) can be easily modified to permit changes in benefits offered by the state or a state agency;

(7) provides a solution to overcome limitations caused by the incompatibility of different legacy systems used by different state agencies and plan providers;

(8) is available for use over the Internet through existing or new websites or portals; and

(9) is supported, to the extent necessary, by:

(A) laptop and desktop enrollment and administration capabilities;

and

(B) a telephone call center.

SECTION _____. If the electronic infrastructure under Section 2054.131, Government Code, as added by this Act, is established, the comptroller as soon as reasonably possible shall develop a timetable and procedures under which each state agency shall implement the electronic infrastructure project for use by all work site benefits plan participants, including officers and employees and former officers and employees.

Amendment No. 2 was adopted without objection.

Amendment No. 3

Representative Grusendorf offered the following amendment to **CSSB 1369**:

Amend **CSSB 1369** by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 825.405, Government Code, is amended by amending Subsections (a) and (b) and adding Subsection (b-1) to read as follows:

(a) For members entitled to the minimum salary for certain school personnel under Section 21.402, Education Code, and for members who would have been entitled to the minimum salary for certain school personnel under former Section 16.056, Education Code, as that section existed on January 1, 1995, the employing district shall pay the state's contribution on the portion of the member's salary that exceeds the statutory minimum salary ~~[or former statutory minimum, as applicable]~~.

(b) For purposes of this section:

(1) [7] the statutory minimum salary for certain school personnel under Section 21.402, Education Code, is the salary provided by that section [Section 21.402 or the former Sections 16.056 and 16.058, Education Code,] multiplied by the cost of education adjustment applicable under Section 42.102, Education Code, to the district in which the member is employed; and

(2) the statutory minimum salary for members who would have been entitled to the minimum salary for certain school personnel under former Section 16.056, Education Code, as that section existed on January 1, 1995, is a minimum salary computed in the same manner as the minimum salary for certain school personnel under Section 21.402, Education Code, multiplied by the percentage amount computed under Subsection (b-1)(2) and by the cost of education adjustment applicable under Section 42.102, Education Code, to the district in which the member is employed.

(b-1) The retirement system shall:

(1) estimate:

(A) the aggregate annual minimum salary for members described by Subsection (b)(2), computed in the same manner as the minimum salary for certain school personnel under Section 21.402, Education Code; and

(B) the aggregate annual minimum salary for those members computed under former Section 16.056, Education Code, as that section existed on January 1, 1995; and

(2) compute the percentage amount by which the amount in Subsection (b-1)(1)(A) must be multiplied to equal the amount in Subsection (b-1)(1)(B).

SECTION _____. Section 825.405(h) and (i), Government Code, are repealed.

Amendment No. 3 was adopted without objection.

Representative Delisi moved to postpone consideration of **CSSB 1369** until 5 p.m. today.

The motion prevailed without objection.

CSSB 1370 ON SECOND READING
(Delisi - House Sponsor)

CSSB 1370, A bill to be entitled An Act relating to certain group benefit plans provided to certain governmental officers, employees, and retirees and their dependents.

Amendment No. 1

Representative Delisi offered the following amendment to **CSSB 1370**:

Amend **CSSB 1370** (house committee printing) as follows:

(1) Strike SECTION 1.01 of the bill (page 1, lines 8-21) and renumber subsequent SECTIONS of ARTICLE 1 of the bill accordingly.

(2) Strike SECTION 3.04 of the bill (page 12, line 24 through page 13, line 11) and substitute the following:

SECTION 3.04. Section 1575.204, Insurance Code, as effective June 1, 2003, is repealed.

CSSB 1370 - POINT OF ORDER

Representative Thompson raised a point of order against further consideration of **CSSB 1370** under Rule 4, Section 18(a)(1) of the House Rules on the grounds that the committee minutes have an incorrect room number for the committee meeting.

(Speaker in the chair)

(Pitts now present)

The speaker overruled the point of order, speaking as follows:

Representative Thompson raises a point of order under Rule 4, Section 18(a)(1), in that the minutes list that the committee met in Room E2.108, while the posting indicated the committee was to meet in E2.018.

The chair finds the error to be minor and clearly typographical.

Accordingly, the point of order is respectfully overruled.

Amendment No. 1 was adopted without objection.

CSSB 1370 - STATEMENT OF LEGISLATIVE INTENT

REPRESENTATIVE DUNNAM: Ms. Delisi, the bill that's before us—it changes who can participate in the retirement system. Is that correct?

REPRESENTATIVE DELISI: It does. It brings it more in line with what—when retirees are able to participate in group plans nationwide.

DUNNAM: But the question is, the bill changes current law as to who can participate in the retirement system?

DELISI: It does—no, that—who can participate in health care. This is not about when someone can retire, this is about when they can participate in health care.

DUNNAM: Which means it makes changes to the benefits that a participant might be eligible for from current law?

DELISI: It does.

DUNNAM: And when did you make that determination that that's what this bill did? I assume when it was filed, or when it came before your committee?

DELISI: Well, actually, Jim, Senator Duncan and I started working on this in January. And we looked at numerous other states. We looked at some of these runaway costs, we looked at what the private sector was doing, and we brought this ERS and TRS in line uniformly for these health benefits.

DUNNAM: And so, obviously you'd made the determination that this was going to affect someone's benefits by the time it came before your committee.

DELISI: Yes, we had been working with Senator Duncan's office. And we had also been tracking the work of the house budgeters and the senate budgeters, and then finally the conference committee. This is the enabling legislation for decisions that the conference committee has already made.

REMARKS ORDERED PRINTED

Representative Dunnam moved to print remarks between Representative Dunnam and Representative Delisi.

The motion prevailed without objection.

Amendment No. 2

Representative Delisi offered the following amendment to **CSSB 1370**:

Amend **CSSB 1370** as follows:

(1) In SECTION 2.01 of the bill, in amended Subdivision (9), Section 1551.003, Insurance Code, on page 2, line 22, between "1551.319(c)" and "or", insert "or (d)".

(2) In SECTION 2.03 of the bill, in amended Subsection (a), Section 1551.102, Insurance Code, on page 3, line 12, strike "a number of [three]" and substitute "10".

Amendment No. 2 was adopted without objection.

CSSB 1370 - POINT OF ORDER

Representative Dunnam raised a point of order against further consideration of **CSSB 1370** under Rule 4, Section 34(b)(3) of the House Rules on the grounds that an actuarial impact statement was not prepared on the bill.

The speaker overruled the point of order.

Amendment No. 3

Representative Delisi offered the following amendment to **CSSB 1370**:

Amend **CSSB 1370** by inserting the following new ARTICLE, appropriately numbered, and renumbering subsequent ARTICLES and SECTIONS of the bill accordingly:

ARTICLE _____. ON-LINE STATE BENEFITS SYSTEM

SECTION _____.01. Subchapter F, Chapter 2054, Government Code, is amended by adding Section 2054.131 to read as follows:

Sec. 2054.131. ELECTRONIC BENEFITS ENROLLMENT AND ADMINISTRATION SYSTEM. (a) In this section, "work site benefits plan" means a plan or other arrangement to provide to officers, employees, or former officers or employees:

(1) insurance, including health, life, and disability insurance and health benefits plans;

(2) flexible spending accounts; or

(3) savings or retirement benefits.

(b) If the comptroller determines that a cost savings may be realized, the comptroller, through a private vendor selected under this section, may implement a project that establishes a common electronic infrastructure through which each state agency, including any retirement system created by statute or by the constitution, shall:

(1) require its work site benefits plan participants to electronically:

(A) enroll in any work site benefits plans provided to the person by the state or a state agency;

(B) add, change, or delete benefits;

(C) sign any payroll deduction agreements to implement a contribution made to a plan in which the participant enrolls;

(D) terminate participation in a voluntary plan;

(E) initiate account investment changes and withdrawals in a retirement plan;

(F) obtain information regarding plan benefits; and

(G) communicate with the plan administrator; and

(2) administer its work site benefits plans electronically by using the project to:

(A) enroll new plan participants and, when appropriate, terminate plan participation;

(B) generate eligibility and enrollment reports for plan participants;

(C) link plan administration with payroll administration to facilitate payroll deductions for a plan;

(D) facilitate single-source billing arrangements between the agency and a plan provider; and

(E) transmit and receive information regarding the plan.

(c) The electronic infrastructure established under Subsection (a) may include TexasOnline, the Internet, intranets, extranets, and wide area networks.

(d) If the comptroller implements an electronic infrastructure project under this section, the comptroller shall select and contract with a single private vendor to implement the project. The contract must require the application of the project to all state agencies without cost to the state until the project is initially implemented.

(e) The private vendor selected under Subsection (d) must offer existing information resources technology for use in the project that:

(1) will be available to all state agencies, including retirement systems;

(2) includes each agency's work site benefits plan participants;

(3) will use, to the extent possible, the department's information technology standards, including information security, privacy and disaster recovery, and Internet-based technology standards;

(4) includes applications and a supporting platform that are already developed and used in connection with the electronic enrollment of work site benefits plans offered by other multiple plan providers;

(5) is available for use with a wide variety of plan and benefit providers;

(6) can be easily modified to permit changes in benefits offered by the state or a state agency;

(7) provides a solution to overcome limitations caused by the incompatibility of different legacy systems used by different state agencies and plan providers;

(8) is available for use over the Internet through existing or new websites or portals; and

(9) is supported, to the extent necessary, by:

(A) laptop and desktop enrollment and administration capabilities;

and

(B) a telephone call center.

SECTION _____. 02. If the electronic infrastructure under Section 2054.131, Government Code, as added by this article, is established, the comptroller as soon as reasonably possible shall develop a timetable and procedures under which each state agency shall implement the electronic infrastructure project for use by all work site benefits plan participants, including officers and employees and former officers and employees.

Amendment No. 3 was adopted without objection.

Amendment No. 4

Representative Delisi offered the following amendment to **CSSB 1370**:

Amend **CSSB 1370** (House Committee Printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) Subchapter C, Chapter 1551, Insurance Code, as effective June 1, 2003, is amended by adding Section 1551.1021 to read as follows:

Sec. 1551.1021. PARTICIPATION ELIGIBILITY: CERTAIN FACULTY OF INSTITUTIONS OF HIGHER EDUCATION. (a) An adjunct faculty member at a public institution of higher education is eligible to participate in the group benefits program as an employee if the faculty member:

(1) receives compensation for services rendered to a public institution of higher education as an adjunct faculty member;

(2) has been employed as a faculty member by the same public institution of higher education and has taught at least one course in each regular fall and spring semester at the public institution of higher education in each of the preceding three academic years; and

(3) is under contract or is scheduled to teach at least 12 semester credit hours in the academic year of coverage or, if the person is also employed by the public institution of higher education to perform nonteaching duties, is under contract or is scheduled to teach at least six semester credit hours in the academic year of coverage and has been approved by the public institution of higher education to participate in the group benefits program.

(b) From money appropriated from a fund other than the general revenue fund or from money available from local sources, a public institution of higher education may, for an adjunct faculty member eligible to receive benefits under this section, contribute:

(1) not more than 50 percent of the cost of basic coverage for the employee; and

(2) not more than 25 percent of the cost of dependent coverage.

(c) Subsection (b) does not prohibit a public institution of higher education from contributing, from money other than money appropriated from the general revenue fund, amounts that exceed the amount specified in Subsection (b) to provide coverage for a person employed by a public institution of higher education who meets the criteria for eligibility under Subsection (a).

(b) The board of trustees of the Employees Retirement System of Texas shall include coverage under Section 1551.114, Insurance Code, as added by this section, in an insurance policy or contract or in an evidence of coverage delivered, issued for delivery, or renewed on or after January 1, 2004. The board of trustees may include coverage under Section 1551.114, Insurance Code, as added by this section, in an insurance policy or contract or in an evidence of coverage delivered, issued for delivery, or renewed before January 1, 2004, if the board of trustees determines that coverage may be reasonably included.

Amendment No. 4 was adopted without objection.

Amendment No. 5

Representative Grusendorf offered the following amendment to **CSSB 1370**:

Amend **CSSB 1370** by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 825.405, Government Code, is amended by amending Subsections (a) and (b) and adding Subsection (b-1) to read as follows:

(a) For members entitled to the minimum salary for certain school personnel under Section 21.402, Education Code, and for members who would have been entitled to the minimum salary for certain school personnel under former Section 16.056, Education Code, as that section existed on January 1, 1995, the employing district shall pay the state's contribution on the portion of the member's salary that exceeds the statutory minimum salary [~~or former statutory minimum, as applicable~~].

(b) For purposes of this section:

(1) [5] the statutory minimum salary for certain school personnel under Section 21.402, Education Code, is the salary provided by that section [Section 21.402 or the former Sections 16.056 and 16.058, Education Code,] multiplied by the cost of education adjustment applicable under Section 42.102, Education Code, to the district in which the member is employed; and

(2) the statutory minimum salary for members who would have been entitled to the minimum salary for certain school personnel under former Section 16.056, Education Code, as that section existed on January 1, 1995, is a minimum salary computed in the same manner as the minimum salary for certain school personnel under Section 21.402, Education Code, multiplied by the percentage amount computed under Subsection (b-1)(2) and by the cost of education adjustment applicable under Section 42.102, Education Code, to the district in which the member is employed.

(b-1) The retirement system shall:

(1) estimate:

(A) the aggregate annual minimum salary for members described by Subsection (b)(2), computed in the same manner as the minimum salary for certain school personnel under Section 21.402, Education Code; and

(B) the aggregate annual minimum salary for those members computed under former Section 16.056, Education Code, as that section existed on January 1, 1995; and

(2) compute the percentage amount by which the amount in Subsection (b-1)(1)(A) must be multiplied to equal the amount in Subsection (b-1)(1)(B).

SECTION _____. Sections 825.405(h) and (i), Government Code, are repealed.

Amendment No. 5 was adopted without objection.

(Wilson in the chair)

Amendment No. 6

Representative Menendez offered the following amendment to **CSSB 1370**:

Amend **CSSB 1370** (House Committee Printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 2, Article 3.50-8, Insurance Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) Notwithstanding any other provision of this article or other law, on and after September 1, 2005, each year, the trustee shall deliver to each school district, including a school district that is ineligible for state aid under Chapter 42, Education Code, each other educational district that is a member of the Teacher Retirement System of Texas, each participating charter school, and each regional education service center state funds in an amount, as determined by the trustee, equal to the product of the number of active employees employed by the district, school, or service center multiplied by \$1,000 or a greater amount as provided by the General Appropriations Act for purposes of this article.

SECTION _____. In the event of a conflict between a provision of Article 1 of this bill and another Act passed by the 78th Legislature, Regular Session, 2003, that becomes law, Article 1 prevails and controls regardless of the relative dates of enactment.

Amendment No. 6 - Point of Order

Representative Delisi raised a point of order against further consideration of Amendment No. 6 under Rule 11, Section 2 of the House Rules on the grounds that the amendment is not germane to the bill.

The point of order was withdrawn.

Representative Delisi moved to table Amendment No. 6.

A record vote was requested.

The motion to table was lost by (Record 735): 51 Yeas, 91 Nays, 2 Present, not voting.

Yeas — Berman; Bohac; Branch; Brown, B.; Callegari; Christian; Cook, B.; Corte; Crabb; Crownover; Davis, J.; Dawson; Delisi; Denny; Eissler; Flynn; Gattis; Griggs; Grusendorf; Harper-Brown; Heflin; Hegar; Hill; Howard; Hupp; Isett; Jones, D.; Jones, E.; Keffer, B.; King; Kolkhorst; Laubenberg; Madden; Marchant; Morrison; Mowery; Nixon; Paxton; Pitts; Reyna; Riddle; Seaman; Smith, W.; Talton; Taylor; Truitt; Van Arsdale; West; Wohlgemuth; Wong; Woolley.

Nays — Allen; Alonzo; Baxter; Bonnen; Brown, F.; Burnam; Campbell; Canales; Casteel; Castro; Chavez; Chisum; Coleman; Cook, R.; Davis, Y.; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Eiland; Elkins; Ellis; Escobar; Farabee; Farrar; Flores; Gallego; Garza; Geren; Giddings; Goodman; Goolsby; Guillen; Gutierrez; Haggerty; Hamilton; Hardcastle; Hilderbran; Hochberg; Hodge; Homer; Hopson; Hughes; Hunter; Jones, J.; Keel; Keffer, J.; Kuempel; Laney; Lewis; Luna; Mabry; Martinez Fischer; McCall; McClendon; McReynolds; Menendez; Mercer; Merritt; Miller; Moreno, J.; Moreno, P.; Naishtat; Noriega; Oliveira; Olivo; Peña; Phillips; Pickett; Puente; Quintanilla; Raymond; Ritter; Rodriguez; Rose; Smith, T.; Smithee; Solis; Solomons; Stick; Swinford; Telford; Thompson; Turner; Uresti; Villarreal; Wise; Wolens; Zedler.

Present, not voting — Mr. Speaker; Wilson(C).

Absent — Bailey; Capelo; Hamric; Hartnett; Hope; Krusee.

STATEMENTS OF VOTE

I was shown voting yes on Record No. 735. I intended to vote no.

Bohac

I was shown voting yes on Record No. 735. I intended to vote no.

Callegari

I was shown voting yes on Record No. 735. I intended to vote no.

B. Cook

I was shown voting yes on Record No. 735. I intended to vote no.

Crabb

I was shown voting yes on Record No. 735. I intended to vote no.

Gattis

When Record No. 735 was taken, I was in the house but away from my desk. I would have voted yes.

Hartnett

I was shown voting yes on Record No. 735. I intended to vote no.

Hegar

I was shown voting yes on Record No. 735. I intended to vote no.

Howard

I was shown voting yes on Record No. 735. I intended to vote no.

Hupp

I was shown voting yes on Record No. 735. I intended to vote no.

Kolkhorst

I was shown voting yes on Record No. 735. I intended to vote no.

Marchant

I was shown voting yes on Record No. 735. I intended to vote no.

Reyna

Amendment No. 6 was adopted without objection.

Amendment No. 7

Representative Delisi offered the following amendment to **CSSB 1370**:

Amend **CSSB 1370** as follows:

(1) In ARTICLE 2 of the bill, insert the following new SECTION, appropriately numbered:

SECTION 2. _____. Section 1551.006, Insurance Code, as effective June 1, 2003, is amended by adding Subsection (c) to read as follows:

(c) Notwithstanding Subsection (b), The Texas A&M University System, including the Texas Veterinary Medical Laboratory, participates in the group benefits program if, not later than November 1, 2004, the system notifies the board of trustees of the system's election to participate. If notice is provided as required by this subsection, the employees and annuitants of the system, including the veterinary medical laboratory, and the dependents of those employees and annuitants, participate in the group benefits program effective not later than September 1, 2005. Notwithstanding any other provision of this subsection, the Texas A&M University System may elect to participate in the group benefits program under this subsection only if the Employees Retirement

System determines pursuant to the actuarial study required by HB 1, Acts of the 78th Legislature, 2003, that participation under this subsection will not result in additional cost to the state.

(2) In ARTICLE 4 of the bill, insert the following new SECTION, appropriately numbered:

SECTION 4._____. Subchapter A, Chapter 1601, Insurance Code, as effective June 1, 2003, is amended by adding Section 1601.011, Insurance Code, to read as follows:

Sec. 1601.011. PARTICIPATION OF THE TEXAS A&M UNIVERSITY SYSTEM. Notwithstanding any other provision of this chapter, if The Texas A&M University System elects to participate in the group benefits program under Section 1551.006(c), that system, including the Texas Veterinary Medical Laboratory, does not participate in a uniform program established under this chapter, effective on the date participation in the group benefits program under Chapter 1551 begins.

(3) Renumber SECTIONS of the bill appropriately.

(Speaker in the chair)

Amendment No. 7 was adopted without objection.

CSSB 1370, as amended, was passed to third reading. (Deshotel recorded voting no)

LEAVE OF ABSENCE GRANTED

The following member was granted leave of absence for the remainder of today because of a death in the family:

Hope on motion of Hardcastle.

POSTPONED BUSINESS

The following bills were laid before the house as postponed business:

CSSB 1369 ON SECOND READING (Delisi - House Sponsor)

CSSB 1369, A bill to be entitled An Act relating to certain group benefits for retired school employees.

CSSB 1369 was read second time earlier today, amended, and was postponed until 5 p.m. today.

CSSB 1369, as amended, was passed to third reading. (Deshotel recorded voting no)

MAJOR STATE CALENDAR (consideration continued)

CSSB 76 ON SECOND READING (Grusendorf and Villarreal - House Sponsors)

CSSB 76, A bill to be entitled An Act relating to the provision of subsidized child-care services.

Amendment No. 1

Representative Villarreal offered the following amendment to **CSSB 76**:

Amend **CSSB 76** in SECTION 4 of the bill, in proposed Section 29.158(d), Education Code (House Committee Report, page 5, line 9), between "decision" and the period, by inserting "and shall give preference to services of the highest quality".

Amendment No. 1 was adopted without objection.

Amendment No. 2

Representative Villarreal offered the following amendment to **CSSB 76**:

Amend **CSSB 76** in SECTION 4 of the bill, in proposed Subsection (d), Section 29.158, Education Code (House Committee Report, page 5, lines 12-21), by striking proposed subdivisions (1)-(4) and substituting the following:

(1) is providing a quality child care program, as described by Section 2308.317(b), Government Code; or

(2) meets standards developed by the State Center for Early Childhood Development.

Amendment No. 2 was withdrawn.

Amendment No. 3

Representative Talton offered the following amendment to **CSSB 76**:

Amend **CSSB 76** as follows:

Page 8, line 16 amend section 5(a) to read as follows:

(a) The Commissioner of Education shall establish a 15 member advisory committee on child-care coordination to evaluate the feasibility of coordinating government-funded child-care programs in a manner that promotes access to child-care programs and results in improved school readiness. The advisory committee must include a representative of:

(1) the Office of Early Childhood Coordination established under Subchapter H, Chapter 531, Government Code;

(2) the Texas Workforce Commission;

(3) the Texas Education Agency;

(4) the Department of Protective and Regulatory Services;

(5) independent school districts;

(6) local workforce development boards;

(7) child-care development fund contractors;

(8) Head Start program providers;

(9) The Head Start Association;

(10) The Head Start Collaboration Office;

(11) Nonprofit child-care providers;

(12) For-profit child-care providers;

(13) Administrators of government-funded child-care programs;

(14) Parents of children receiving government-funded child-care programs;

(15) Texas Licensed Child Care Association

Amendment No. 3 was adopted without objection.

Amendment No. 4

Representative Howard offered the following amendment to **CSSB 76**:

Amend **CSSB 76** (House Committee Printing) as follows:

(1) In SECTION 4 of the bill, in the first sentence of added Subsection (d), Section 29.158, Education Code (page 5, lines 3 through 4), strike "Texas Workforce Commission."

(2) In SECTION 4 of the bill, in the first sentence of added Subsection (d), Section 29.160, Education Code (page 7, line 18), strike "is entitled to" and substitute "may request, from the appropriate state agency."

(3) In SECTION 4 of the bill, in the second sentence of added Subsection (d), Section 29.160, Education Code (page 7, line 26), strike "must" and substitute "may".

(4) In SECTION 4 of the bill, at the end of added Subsection (d), Section 29.160, Education Code (page 8, line 2), insert "A state agency receiving a request from an entity to seek an available federal waiver under this subsection shall, not later than the 30th day after the date on which the request is made, notify the entity whether the agency intends to seek the waiver. A request for a federal waiver under this subsection may only be rejected if the state agency has reason to believe that the operation of the federal waiver would result in the state agency's failure to comply with federal law or regulations or could result in penalties to the state.".

Amendment No. 4 was withdrawn.

Amendment No. 5

Representative Oliveira offered the following amendment to **CSSB 76**:

Amend **CSSB 76** as follows:

Page 7, line 20 delete "or the Department of Protective and Regulatory Services."

Representative Grusendorf moved to table Amendment No. 5.

A record vote was requested.

The motion to table prevailed by (Record 736): 89 Yeas, 54 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Baxter; Berman; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Callegari; Campbell; Casteel; Chisum; Christian; Cook, B.; Corte; Crabb; Crownover; Davis, J.; Dawson; Delisi; Denny; Driver; Eissler; Elkins; Flynn; Garza; Gattis; Geren; Goodman; Goolsby; Griggs; Grusendorf; Guillen; Haggerty; Hamric; Hardcastle; Harper-Brown; Hartnett; Heflin; Hegar; Hill; Howard; Hughes; Hunter; Hupp; Isett; Jones, D.; Jones, E.; Keel; Keffer, B.; Keffer, J.; King; Kolkhorst; Krusee; Kuempel; Laney; Laubenberg; Lewis;

Madden; Marchant; McCall; Mercer; Merritt; Miller; Morrison; Mowery; Nixon; Paxton; Phillips; Pitts; Raymond; Reyna; Seaman; Smith, T.; Smith, W.; Solomons; Stick; Swinford; Taylor; Truitt; Turner; Van Arsdale; Villarreal; West; Wohlgemuth; Wong; Woolley; Zedler.

Nays — Bailey; Burnam; Canales; Capelo; Castro; Chavez; Coleman; Cook, R.; Deshotel; Dukes; Dunnam; Dutton; Edwards; Ellis; Escobar; Farabee; Farrar; Flores; Gallego; Giddings; Gutierrez; Hamilton; Hilderbran; Hochberg; Hodge; Homer; Hopson; Jones, J.; Mabry; Martinez Fischer; McClendon; McReynolds; Menendez; Moreno, J.; Moreno, P.; Naishtat; Noriega; Oliveira; Olivo; Peña; Puente; Quintanilla; Riddle; Ritter; Rodriguez; Rose; Solis; Talton; Telford; Thompson; Uresti; Wilson; Wise; Wolens.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Hope.

Absent — Davis, Y.; Eiland; Luna; Pickett; Smithee.

CSSB 76, as amended, was passed to third reading. (Berman, B. Brown, B. Cook, Eissler, Flynn, and Zedler recorded voting no)

SB 1696 ON SECOND READING
(Hill - House Sponsor)

SB 1696, A bill to be entitled An Act relating to the issuance of obligations by certain municipalities to pay unfunded liabilities to public pension funds.

Amendment No. 1

On behalf of Representative Chisum, Representative Hill offered the following amendment to **SB 1696**:

Amend **SB 1696** (House committee printing) in Section 1 of the bill as follows:

(1) in the heading to proposed Chapter 107, Local Government Code, strike "CERTAIN MUNICIPALITIES" (page 1, line 8) and substitute "A MUNICIPALITY".

(2) strike proposed Section 107.001, Local Government Code (page 1, lines 9 and 10).

Amendment No. 1 was adopted without objection.

SB 1696, as amended, was passed to third reading. (Merritt and Telford recorded voting no)

CSSB 705 ON SECOND READING
(Truitt and Lewis - House Sponsors)

CSSB 705, A bill to be entitled An Act relating to the donation by a county of salvage and surplus property to a civic or charitable organization.

CSSB 705 was passed to third reading.

CSSB 1678 ON SECOND READING
(Allen - House Sponsor)

CSSB 1678, A bill to be entitled An Act relating to the organization and duties of the Board of Pardons and Paroles.

Amendment No. 1

Representative Talton offered the following amendment to **CSSB 1678**:

Amend **CSSB 1678** (house committee report) by adding an appropriately numbered SECTION to the bill to read as follows and renumbering the existing SECTIONS of the bill accordingly:

SECTION _____. Section 508.032, Government Code, is amended by adding Subsection (c) and (d) to read as follows:

(c) A former employee of the Texas Department of Criminal Justice may not serve on the board before the fifth anniversary of the date employment with the department terminated.

(d) Not more than three of the members may be former employees of the Texas Department of Criminal Justice.

CSSB 1678 - STATEMENT OF LEGISLATIVE INTENT
Amendment No. 1

REPRESENTATIVE ALLEN: Mr. Speaker, let me speak on the amendment and see if we can clarify some of the confusion. What Representative Talton's amendment does, is, it says that for board members of the Board of Pardons and Paroles, no more than three of the seven may be former employees of TDCJ. And it is my understanding, that that does not apply to their prior service on the board. Though their salary comes through there, they are employees of the Board of Pardons and Paroles, which is in fact a separate agency. But they would not be excluded by virtue of their current service.

REPRESENTATIVE KEEL: So what you're saying, Representative Allen, is that a current board member of—one of those 18 board members—would not be excluded by this amendment. In fact, more than three of them could serve if they're in the current status of a board member as it exists today. They would not fall under the language of this—

ALLEN: Only those from among the 18 who, within the past five years—

KEEL: Used to work for, like, the Institutional Division?

ALLEN: Correct.

KEEL: As opposed to exclusively working as a board member.

ALLEN: Correct. Further, members and Mr. Keel, those who are not reappointed to the seven member Board of Pardons and Paroles would nevertheless be eligible for hire as commissioners, despite the fact that they have in the past served on the board. So, what we in effect are doing with this amendment, is narrowing the scope of how many former TDCJ employees—like institutional division, state jail division, etc.—would be on the pardon and parole board. And I suppose that the policy interest is in maintaining a certain degree of

independence between the pardon and parole board and Texas Department of Criminal Justice, which houses inmates and supervises inmates. This pardon and parole board has been a prerogative of the Office of the Governor, and I suspect that they're wanting to tweak how they do their appointments. In regard to the larger issue of the bill itself, the policy interest is this: we've had 18 members of the pardon and parole board now for about two decades. We used to hear maybe 15,000 cases in a year with 18 members, and this year we're going to hear probably 75,000 parole cases without regard to pardon cases. And no one would ever envision that we'd continue to increase the size of the board, you know, to 36 or 48 members. It would just be an unwieldy structure. So what we have in mind is to go to a board of seven, which is appointed, and then hire commissioners.

REMARKS ORDERED PRINTED

Representative Keel moved to print remarks between Representative Keel and Representative Allen.

The motion prevailed without objection.

Amendment No. 1 was adopted without objection.

A record vote was requested.

CSSB 1678, as amended, failed to pass to third reading by (Record 737): 62 Yeas, 71 Nays, 1 Present, not voting.

Yeas — Allen; Baxter; Berman; Bohac; Branch; Brown, B.; Brown, F.; Callegari; Campbell; Casteel; Christian; Cook, B.; Corte; Crabb; Davis, J.; Dawson; Delisi; Denny; Eissler; Elkins; Flynn; Gallego; Gattis; Griggs; Grusendorf; Hardcastle; Harper-Brown; Hegar; Howard; Hughes; Hunter; Hupp; Isett; Jones, D.; Keffer, B.; Keffer, J.; King; Kuempel; Laubenberg; Lewis; Marchant; McCall; Mercer; Miller; Morrison; Nixon; Paxton; Phillips; Pitts; Reyna; Seaman; Smith, W.; Solomons; Stick; Talton; Taylor; Van Arsdale; West; Wohlgemuth; Wong; Woolley; Zedler.

Nays — Alonzo; Bailey; Burnam; Canales; Capelo; Castro; Chavez; Coleman; Cook, R.; Davis, Y.; Deshotel; Dukes; Dunnam; Dutton; Edwards; Ellis; Escobar; Farabee; Farrar; Flores; Garza; Geren; Giddings; Goodman; Goolsby; Guillen; Gutierrez; Haggerty; Hamilton; Hochberg; Hodge; Homer; Hopson; Jones, E.; Jones, J.; Keel; Kolkhorst; Laney; Luna; Mabry; Martinez Fischer; McClendon; McReynolds; Menendez; Merritt; Moreno, J.; Moreno, P.; Naishtat; Noriega; Oliveira; Olivo; Peña; Pickett; Puente; Quintanilla; Raymond; Riddle; Ritter; Rodriguez; Rose; Smith, T.; Solis; Telford; Thompson; Truitt; Turner; Uresti; Villarreal; Wilson; Wise; Wolens.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Hope.

Absent — Bonnen; Chisum; Crownover; Driver; Eiland; Hamric; Hartnett; Heflin; Hilderbran; Hill; Krusee; Madden; Mowery; Smithee; Swinford.

STATEMENTS OF VOTE

When Record No. 737 was taken, I was in the house but away from my desk. I would have voted yes.

Hartnett

When Record No. 737 was taken, I was in the house but away from my desk. I would have voted yes.

Hilderbran

LEAVE OF ABSENCE GRANTED

The following member was granted leave of absence temporarily for today to attend a meeting of the conference committee on **HB 1**:

Heflin on motion of Solomons.

SB 966 ON SECOND READING (Grusendorf - House Sponsor)

SB 966, A bill to be entitled An Act relating to the comptroller entering into an agreement with a credit or debit card issuer for the benefit of public schools.

SB 966 was passed to third reading.

CSSB 1664 ON SECOND READING (Christian, Hopson, and Wise - House Sponsors)

CSSB 1664, A bill to be entitled An Act relating to private activity bonds.

Amendment No. 1

Representative Solomons offered the following amendment to **CSSB 1664**:

Amend **CSSB 1664** (House Committee printing), on page 17, line 11, by striking the words "35 million" and substituting "the amount as prescribed in 1372.033 (d), (e), and (f)".

Amendment No. 1 was adopted without objection.

Amendment No. 2

Representative Callegari offered the following amendment to **CSSB 1664**:

Amend **CSSB 1664** in Section 4 of the bill by striking amended Subsection (b), Section 1372.0231, Government Code (House committee printing, page 4, lines 10-20), and substituting:

(b) With respect to the amount of the state ceiling set aside under Subsection (a)(1), subject to Sections 1372.0321(a) and (b), the board shall grant reservations[=

~~(1) in the order determined by the board by lot; and~~

~~(2)]~~ in a manner that ensures that:

(1) [(A)] the set-aside amount is used for proposed projects that are located throughout the state; and

(2) [(B)] not more than 50 percent of the set-aside amount is used for proposed projects that are located in qualified census tracts as defined by Section 143(j), Internal Revenue Code of 1986.

Amendment No. 2 was adopted without objection.

CSSB 1664, as amended, was passed to third reading.

**CSSB 1678 - DOUBLE MOTION TO
RECONSIDER AND TABLE**

Representative Thompson moved to reconsider the vote by which **CSSB 1678** failed to pass to third reading and to table the motion to reconsider.

A record vote was requested.

The motion to table was lost by (Record 738): 54 Yeas, 88 Nays, 1 Present, not voting.

Yeas — Alonzo; Bailey; Burnam; Canales; Capelo; Castro; Coleman; Cook, B.; Davis, Y.; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Ellis; Escobar; Farrar; Flores; Garza; Geren; Giddings; Goolsby; Gutierrez; Hodge; Hopson; Jones, D.; Jones, J.; Krusee; Luna; Mabry; Martinez Fischer; McClendon; Moreno, J.; Moreno, P.; Naishtat; Nixon; Oliveira; Olivo; Peña; Puente; Quintanilla; Rodriguez; Rose; Smithee; Solis; Telford; Thompson; Turner; Uresti; Villarreal; Wilson; Wise; Wolens.

Nays — Allen; Baxter; Berman; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Callegari; Campbell; Casteel; Chavez; Chisum; Christian; Cook, R.; Corte; Crabb; Crownover; Davis, J.; Dawson; Delisi; Denny; Eiland; Eissler; Elkins; Farabee; Flynn; Gallego; Gattis; Griggs; Grusendorf; Guillen; Haggerty; Hamilton; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hilderbran; Hill; Homer; Howard; Hughes; Hunter; Hupp; Isett; Jones, E.; Keel; Keffer, B.; Keffer, J.; King; Kolkhorst; Kuempel; Laubenberg; Lewis; Madden; Marchant; McCall; Menendez; Mercer; Merritt; Miller; Morrison; Noriega; Paxton; Phillips; Pickett; Pitts; Raymond; Reyna; Riddle; Ritter; Seaman; Smith, T.; Smith, W.; Solomons; Stick; Swinford; Talton; Taylor; Truitt; Van Arsdale; West; Wohlgemuth; Wong; Woolley; Zedler.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Hope.

Absent, Excused, Committee Meeting — Heflin.

Absent — Goodman; Hochberg; Laney; McReynolds; Mowery.

STATEMENT OF VOTE

I was shown voting no on Record No. 738. I intended to vote yes.

Guillen

(Morrison in the chair)

A record vote was requested.

The motion to reconsider prevailed by (Record 739): 107 Yeas, 29 Nays, 2 Present, not voting.

Yeas — Allen; Baxter; Berman; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Callegari; Campbell; Capelo; Casteel; Chavez; Chisum; Christian; Cook, B.; Cook, R.; Crabb; Crownover; Davis, J.; Dawson; Delisi; Denny; Deshotel; Driver; Dutton; Edwards; Eiland; Eissler; Elkins; Ellis; Farabee; Flynn; Gallego; Gattis; Geren; Goolsby; Griggs; Grusendorf; Guillen; Haggerty; Hamilton; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hilderbran; Hill; Hochberg; Homer; Hopson; Howard; Hughes; Hunter; Hupp; Isett; Jones, D.; Jones, E.; Keel; Keffer, B.; Keffer, J.; King; Kolkhorst; Krusee; Kuempel; Laubenberg; Lewis; Luna; Madden; Marchant; Martinez Fischer; McCall; Menendez; Mercer; Merritt; Miller; Naishtat; Nixon; Oliveira; Paxton; Phillips; Pickett; Pitts; Puente; Raymond; Reyna; Riddle; Ritter; Rose; Seaman; Smith, T.; Smith, W.; Solomons; Stick; Swinford; Talton; Taylor; Truitt; Turner; Van Arsdale; West; Wohlgemuth; Wolens; Wong; Woolley; Zedler.

Nays — Alonzo; Burnam; Canales; Castro; Coleman; Davis, Y.; Dukes; Dunnam; Escobar; Farrar; Flores; Garza; Hodge; Mabry; McClendon; McReynolds; Moreno, J.; Moreno, P.; Noriega; Olivo; Peña; Quintanilla; Rodriguez; Solis; Telford; Thompson; Uresti; Villarreal; Wise.

Present, not voting — Mr. Speaker; Morrison(C).

Absent, Excused — Hope.

Absent, Excused, Committee Meeting — Heflin.

Absent — Bailey; Corte; Giddings; Goodman; Gutierrez; Jones, J.; Laney; Mowery; Smithee; Wilson.

CSSB 1678 ON SECOND READING **(Allen - House Sponsor)**

CSSB 1678, A bill to be entitled An Act relating to the organization and duties of the Board of Pardons and Paroles.

Representative Keel moved to postpone consideration of **CSSB 1678** until 10 p.m. today.

The motion prevailed without objection.

SB 734 ON SECOND READING **(Hunter - House Sponsor)**

SB 734, A bill to be entitled An Act relating to the power of appointment in certain municipalities having city managers.

Amendment No. 1

Representative Hunter offered the following amendment to **SB 734**:

SB 734 is amended to read as follows:

(1) On page 1, Section 1, in Section 25.051(b), between "22" and "23", strike "or" and insert ",".

(2) On page 1, Section 1, in Section 25.051(b), between "23" and ".", insert "or 24".

Amendment No. 1 was adopted without objection.

SB 734, as amended, was passed to third reading.

**CSSB 782 ON SECOND READING
(Capelo and Keel - House Sponsors)**

CSSB 782, A bill to be entitled An Act relating to the authority of a county or municipality to contract for collection services in criminal cases and certain cases involving the parking or stopping of motor vehicles.

Amendment No. 1

Representative Casteel offered the following amendment to **CSSB 782**:

Amend **CSSB 782** by adding the following appropriately numbered SECTION to the bill and renumbering existing SECTIONS accordingly:

SECTION _____. Section 706.002(a), Transportation Code, is amended to read as follows:

(a) A political subdivision may contract with the department to provide information necessary for the department to deny renewal of the driver's license of a person who fails to appear for a complaint or citation or fails to pay or satisfy a judgment ordering payment of a fine and cost in the manner ordered by the court in a matter involving any offense that a [~~justice or municipal~~] court has jurisdiction of under Chapter 4 [~~Article 4.11 or 4.14~~], Code of Criminal Procedure.

Amendment No. 1 was adopted without objection.

Amendment No. 2

Representative Corte offered the following amendment to **CSSB 782**:

Amend **CSSB 782** on page 4, line 23, by replacing section (h) of article 103.0031 with the following:

(h) The commissioners court of a county or the governing body of a municipality may enter into a contract as described in this article to collect a debt incurred as a result of the commission of a criminal or civil offense committed before the effective date of this Act. The collection fee does not apply to a debt collected pursuant to a contract entered into under this section (h).

Amendment No. 2 was adopted without objection.

CSSB 782, as amended, was passed to third reading. (Deshotel, Lewis, and Thompson recorded voting present, not voting)

**CSSB 618 ON SECOND READING
(Dutton - House Sponsor)**

CSSB 618, A bill to be entitled An Act relating to the consequences of a public school's being considered low-performing.

Amendment No. 1

Representative Dutton offered the following amendment to **CSSB 618**:

Amend **CSSB 618** as follows:

(1) In SECTION 5 of the bill, in amended Section 39.131(a)(7), Education Code (House Committee Printing, page 5, line 11), strike "master" and substitute "conservator [~~master~~]".

(2) In SECTION 5 of the bill, in added Section 39.131(b), Education Code (House Committee Printing, page 6, line 3), strike "master" and substitute "conservator [~~master~~]".

(3) In SECTION 5 of the bill, in added Section 39.134, Education Code (House Committee Printing, page 9, line 4), strike "master" and substitute "conservator [~~master~~]".

(4) In SECTION 5 of the bill, in the heading to added Section 39.135, Education Code (House Committee Printing, page 9, line 13), strike "MASTER" and substitute "CONSERVATOR".

(5) In SECTION 5 of the bill, in added Sections 39.135(a), (b), and (c), Education Code (House Committee Printing, page 9, lines 14, 18, 19, 22, and 24), strike "master" each place it appears and substitute "conservator [~~master~~]".

(6) In SECTION 5 of the bill, in added Section 39.136(d), Education Code (House Committee Printing, page 11, line 9), strike "master" and substitute "conservator [~~master~~]".

Amendment No. 1 was adopted without objection.

Amendment No. 2

Representative Dutton offered the following amendment to **CSSB 618**:

Amend **CSSB 618** in SECTION 5 of the bill, in added Section 39.132(b), Education Code (House Committee Printing, page 8, lines 14-18), by striking the semicolon after "retained" and the remainder of the subsection and substituting "the educator shall be assigned to another position in the district.".

Amendment No. 2 was adopted without objection.

CSSB 618, as amended, was passed to third reading.

SB 1297 ON SECOND READING
(Krusee and Giddings - House Sponsors)

SB 1297, A bill to be entitled An Act relating to financing authority for certain institutions of higher education for facilities.

SB 1297 was passed to third reading.

CSSB 929 ON SECOND READING
(Grusendorf - House Sponsor)

CSSB 929, A bill to be entitled An Act relating to regional education service centers.

Amendment No. 1

Representatives Dutton, Dawson, Griggs, Oliveira, Eissler, Hochberg, Branch, Madden, and Grusendorf offered the following amendment to **CSSB 929**:

Amend **CSSB 929** as follows:

(1) In SECTION 1 of the bill, in the introductory language (House Committee Report, page 1, line 5), strike "Section 8.008" and substitute "Sections 8.008 and 8.009".

(2) In SECTION 1 of the bill, immediately following proposed Section 8.008, Education Code (House Committee Report, page 1, between lines 12 and 13), insert the following:

Sec. 8.009. SUNSET PROVISION. Notwithstanding any other law, regional education service centers are subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the regional education service centers are abolished and this chapter expires September 1, 2005. Review of regional education service centers under this section shall be conducted in conjunction with review of the agency under Section 7.004.

(3) Strike SECTIONS 3 and 4 of the bill (House Committee Report, page 2, line 3, through page 4, line 18).

(4) In SECTION 5 of the bill (House Committee Report, page 4, line 19), strike "SECTION 5. Except as otherwise provided by this Act, this" and substitute "SECTION 3. This".

Amendment No. 1 was adopted without objection.

Amendment No. 2

Representative Grusendorf offered the following amendment to **CSSB 929**:

Amend **CSSB 929** as follows:

(1) On page 1, between lines 12 and 13, insert a new SECTION 2 as follows:

SECTION 2. Subchapter B, Chapter 8, Education Code, is amended by adding Section 8.009 to read as follows:

Sec. 8.009. Sunset Provision. (a) Regional education service centers are subject to Chapter 325, Government Code (Texas Sunset Act) in conjunction with the Texas Education Agency.

(b) Unless continued in existence by Chapter 325, Government Code, regional education service centers are abolished September 1, 2005.

(2) Strike SECTIONS 3 and 4.

(3) Renumber SECTIONS of the bill accordingly.

Amendment No. 2 was withdrawn.

Amendment No. 3

Representative Isett offered the following amendment to **CSSB 929**:

Amend **CSSB 292** by adding the following appropriately numbered SECTION to the bill and renumbering the subsequent SECTIONS accordingly:

SECTION _____. Subchapter A, Chapter 8, Education Code, is amended by adding Section 8.008 to read as follows:

Sec. 8.008. APPLICABILITY OF LAWS RELATING TO CONFLICT OF INTEREST. (a) A member of the board of directors and the executive director of a regional education service center are each considered to be a local public official for purposes of Chapter 171, Local Government Code. For purposes of that chapter a member of the board of directors and the executive director of a regional education service center are each considered to have a substantial interest in a business entity if a person related to the member or the executive director in the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, has a substantial interest in the business entity under Section 171.002, Local Government Code.

(b) A regional education service center is considered to be a political subdivision for purposes of Section 131.903, Local Government Code.

(c) To the extent consistent with this section, if a law described by this section applies to a school district or the board of trustees of a school district, the law applies to a regional education service center and the board of directors and executive director of a regional education service center.

Amendment No. 3 was adopted without objection.

A record vote was requested.

CSSB 929, as amended, was passed to third reading by (Record 740): 83 Yeas, 47 Nays, 2 Present, not voting.

Yeas — Allen; Baxter; Berman; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Callegari; Campbell; Capelo; Casteel; Chisum; Christian; Cook, B.; Cook, R.; Corte; Crabb; Crownover; Davis, J.; Dawson; Delisi; Denny; Driver; Dutton; Eiland; Eissler; Elkins; Ellis; Farabee; Flynn; Gattis; Geren; Goolsby; Griggs; Grusendorf; Gutierrez; Hamilton; Hamric; Harper-Brown; Hartnett; Hegar; Hill; Hughes; Hunter; Hupp; Isett; Jones, E.; Keel; Keffer, B.; Keffer, J.; King; Kolkhorst; Krusee; Kuempel; Laubenberg; Madden; Marchant; McCall; Miller; Mowery; Nixon; Paxton; Pitts; Reyna; Riddle; Seaman; Smith, T.; Smith, W.; Solis; Solomons; Stick; Swinford; Talton; Taylor; Truitt; Uresti; Van Arsdale; West; Wohlgemuth; Wong; Woolley; Zedler.

Nays — Alonzo; Burnam; Canales; Castro; Chavez; Coleman; Davis, Y.; Deshotel; Dukes; Edwards; Farrar; Flores; Gallego; Garza; Giddings; Guillen; Haggerty; Hilderbran; Hodge; Homer; Hopson; Jones, D.; Lewis; Luna; Martinez Fischer; McClendon; Menendez; Mercer; Merritt; Naishtat; Noriega; Oliveira; Olivo; Phillips; Pickett; Puente; Quintanilla; Raymond; Ritter; Rodriguez; Rose; Telford; Thompson; Turner; Villarreal; Wise; Wolens.

Present, not voting — Mr. Speaker; Morrison(C).

Absent, Excused — Hope.

Absent, Excused, Committee Meeting — Heflin.

Absent — Bailey; Dunnam; Escobar; Goodman; Hardcastle; Hochberg; Howard; Jones, J.; Laney; Mabry; McReynolds; Moreno, J.; Moreno, P.; Peña; Smithee; Wilson.

STATEMENT OF VOTE

When Record No. 740 was taken, I was in the house but away from my desk. I would have voted no.

Peña

REASON FOR VOTE

I voted for **SB 929** to allow our local school districts the flexibility to contract with Regional Education Service Centers. Our Regional Education Service Centers provide invaluable service for our local districts and should be encouraged to use the services they provide.

Farabee

SB 186 ON SECOND READING (Dutton - House Sponsor)

SB 186, A bill to be entitled An Act relating to the computation of public school dropout and completion rates.

Amendment No. 1

Representative Noriega offered the following amendment to **SB 186**:

Amend **SB 186** by inserting the following appropriately numbered SECTION and renumbering the subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter C, Chapter 39, Education Code, is amended by adding Section 39.056 to read as follows:

Sec. 39.056. EXPECTED GRADUATES, DROPOUT COUNT, AND DROPOUT RATE; REPORT. (a) In this section:

(1) "A" is the number of students enrolled at a campus at grade level 9;

(2) "B" is the number of students not enrolled at a campus at grade level 9 who subsequently enroll at the campus at the same grade level as the students described by Subdivision (1);

(3) "C" is the number of those students described by Subdivisions (1) and (2) who:

(A) remain enrolled at the same campus; and

(B) at the end of the school year in which the students are enrolled in grade level 12, have not met the requirements for graduation under Subchapter B, Chapter 28;

(4) "D" is the number of those students described by Subdivisions (1) and (2):

(A) who enroll at another campus, including a private school campus, in a program that grants a high school diploma; and

(B) whose enrollment is verified by the receiving campus;

(5) "E" is the number of students described by Subdivisions (1) and (2) who die while enrolled at the campus before receiving a high school diploma;

(6) "F" is the number of students described by Subdivisions (1) and (2) who receive a high school diploma before completing grade level 12;

(7) "G" is the number of students who have met the requirements for graduation under Subchapter B, Chapter 28;

(8) "DC" is the dropout count;

(9) "DR" is the dropout rate; and

(10) "EG" is the number of expected graduates.

(b) In addition to the computation of dropout rates under Section 39.051(b)(2), the agency shall compute the following dropout information for school campuses, school districts, and the state and make the information available to the public in an annual report:

(1) the number of expected graduates at a school campus, as determined by the following formula:

$$EG = (A + B) - (C + D + E + F);$$

(2) the dropout count of students at a school campus, as determined by the formula:

$$DC = EG - G; \text{ and}$$

(3) the dropout rate of students at a school campus, as determined by the formula:

$$DR = (DC / (A + B)) \times 100.$$

(c) The number of expected graduates, the dropout count, and the dropout rate of students enrolled in a school district or in this state are computed under this section in the same manner as the number of expected graduates, the dropout count, and the dropout rate of a campus under this section.

(d) The agency may not use for purposes of accountability or accreditation the number of expected graduates, a dropout count, or a dropout rate computed under this section.

Amendment No. 1 was withdrawn.

SB 186 - STATEMENT OF LEGISLATIVE INTENT

REPRESENTATIVE NORIEGA: Chairman Dutton, I want to thank you, first, for bringing this bill to us. I know that you know that my interest—our mutual interests—

REPRESENTATIVE DUTTON: Well, let me thank you, Rick, for all the work you've done on dropouts. It's interesting that you and I didn't talk about this during the interim, but you were doing the same thing that I was doing which is trying to figure out how to get at this problem. Because you recognized like I did that it's a far bigger problem than what apparently the schools or the district or TEA or anybody else for that matter was willing to recognize. And so I wanted to thank you.

NORIEGA: Right. Thank you, Chairman. And as we have gone along I have shared with you the TEA investigations in our own backyard and that data as it's come to light. And you've been at the forefront of this issue. I just want to ask you a couple of questions so we can get this into the journal. So that it's our understanding because I have here—you explained to me—and I trust what you

said to be your intent and understanding as well. Under the NCES dropout definition that I pulled down off the website, under item c, they say: "has not graduated high school or completed a state or district approved educational program." Do you understand that to mean a GED?

DUTTON: I understand that does not include GED programs where essentially what was happening—as you know now—students were simply saying—or at least in terms of the calculations, people were saying, "Well, you know, Johnny Jones told me he was going to go to a GED," and so, therefore, under our current lever code system, that student was counted not as a dropout. It's my understanding that that will not be the way it would be counted under NCES. In fact, I will tell you also that a senior who meets all the graduation requirements under NCES—and to show you how tough it is—but if that senior does not pass the exit level test—TAKS/TAAS—then that student is considered a dropout under NCES.

NORIEGA: Chairman, because I have heard in some instances, under NCES that if a person says OK, I am going to go and complete a GED program and, therefore, they do not complete it, then they are counted as a dropout. But if they do complete the GED program, then, for the purposes of the definition of dropout, that they are not considered—it is your understanding, then, GED's, for the purposes—

DUTTON: Of counting dropouts, that they are still considered having dropped out. And that is my understanding, Rick. And I will share with you that, to whatever extent, I think we are going to get a better grasp on this dropout problem with this definition—is what I am certainly concerned about. Because as you know, like I know, it didn't take us 30 seconds to figure out, after we looked at the dropout numbers, that they had to all be wrong. Particularly for the schools in your district and mine, as we knew.

NORIEGA: Thank you, Mr. Chairman.

(Speaker in the chair)

REMARKS ORDERED PRINTED

Representative Noriega moved to print remarks between Representative Noriega and Representative Dutton.

The motion prevailed without objection.

SB 186 was passed to third reading.

SB 1701 ON SECOND READING (Pitts - House Sponsor)

SB 1701, A bill to be entitled An Act relating to the Department of Information Resources' management of certain electronic and telecommunications projects.

Amendment No. 1 (Committee Amendment No. 1)

On behalf of Representative Allen, Representative Pitts offered the following committee amendment to **SB 1701**:

Strike section 23 and replace with the following:

SECTION 23: Subchapter B, Chapter 2055 Government Code, is amended by adding Section 2055.061 to read as follows:

Sec. 2055.061: State Data Center.

(a) In this section:

(1) "Center" means the State Data Center.

(2) "Best value" has the meaning assigned under Section 2157.003.

Government Code.

(b) The department shall operate, or through cooperative agreement, manage operations of the State Data Center on the campus of Angelo State University. It is the intent of the Legislature that all state agencies and institutions of higher education utilize the Center for data center operations, testing disaster recovery plans, and for disaster recovery services. None of the funds appropriated by this Act may be expended for entering into or renewing contracts or issuing purchase orders for data center operations, disaster recovery plan testing services, or disaster recovery services from other state agencies or other providers of these services without first obtaining a waiver from the Legislative Budget Board certifying that the requested service requirements cannot be provided at reasonable costs through the Center. Waiver requests will be evaluated by the Legislative Budget Board, based on best value to the State, rather than best value to the state agency or institution of higher education requesting the waiver. Prior to requesting a waiver from the Legislative Budget Board, agencies and institutions of higher education must first provide the operational vendor of the Center with a comprehensive statement of work sufficient for the operational vendor to provide an accurate cost estimate for cost comparison purposes. Prior to initiating the waiver process, state agencies and institutions of higher education must also coordinate with the department regarding appropriate time frames for preparation of the statement of work, pricing, cost comparison and transition.

Agencies and institutions of higher education shall use the State Auditor's Report 95-139 in evaluating cost comparison. The Legislative Budget Board, may request assistance from the State Auditor's Office in validating cost evaluations. Waivers may be granted for specific periods of time and any contracts for services obtained under waiver may not extend beyond the expiration date of the waiver. Once a waiver has been granted, state agencies and institutions of higher education must provide a comparison of actual costs versus the projected costs used to obtain the waiver on an annual basis to the Legislative Budget Board.

(c) State agencies and institutions of higher education that use the Center shall do so under contract with the department. The department may collect fees for these services in amounts that offset the direct and indirect costs of providing the services. The department may request assistance from the State Auditor regarding the billing system formula for offsetting service costs. In order for the state to realize maximum cost savings and operational efficiencies, the department, in consultation with the Legislative Budget Board, the State Auditor's Office and the Center's operational vendor, will develop a comprehensive information technology consolidation plan and provide information relating to the use of the Center as a location for one of the state's consolidated data centers. The department shall file a written report of the plan with the Governor, the Lieutenant Governor, and the Speaker of the House of Representatives not later than May 31, 2004.

Amendment No. 1 was adopted without objection.

Amendment No. 2 (Committee Amendment No. 2)

On behalf of Representative Allen, Representative Pitts offered the following committee amendment to **SB 1701**:

Strike Section 8 and replace with the following:

SECTION 8. Section 2054.102, Government Code, is amended to read as follows:

Sec. 2054.102. EVALUATION AND APPROVAL OF OPERATING PLANS. (a) The Legislative Budget Board may specify procedures for the submission, review, approval, and disapproval of biennial operating plans and amendments, including procedures for review or reconsideration of the Legislative Budget Board's disapproval of a biennial operating plan or biennial operating plan amendment. The Legislative Budget Board shall review and approve or disapprove the biennial operating plan or biennial operating plan amendment not later than the 60th day after the date the plan or amendment to the plan is submitted. The plan or amendment to the plan is considered to be approved on the 61st day after the date the plan or amendment is submitted if the Legislative Budget Board does not disapprove the plan or amendment before that date.

(b) The governing board of the department shall adopt rules as necessary to establish department standards.

(c) The department shall provide the Legislative Budget Board with a list of agencies that have not complied with department standards, provisions of the state strategic plan, or corrective action plans. An agency identified on a list under this subsection shall develop a corrective action plan approved by the department that specifies the manner in which deficiencies will be corrected before components of or amendments to the agency's biennial operating plan may be approved by the Legislative Budget Board.

Amendment No. 2 was adopted without objection.

SB 1701, as amended, was passed to third reading.

CSSB 346 ON SECOND READING
(Grusendorf - House Sponsor)

CSSB 346, A bill to be entitled An Act relating to an optional flexible year program for public school students who fail to perform satisfactorily on an assessment instrument or who would not otherwise be promoted.

CSSB 346 was passed to third reading. (D. Jones recorded voting no)

CSSB 396 ON SECOND READING
(Grusendorf - House Sponsor)

CSSB 396, A bill to be entitled An Act relating to a technology immersion pilot project in public schools.

CSSB 396 was passed to third reading. (D. Jones recorded voting no)

CSSB 1652 ON SECOND READING
(Morrison - House Sponsor)

CSSB 1652, A bill to be entitled An Act relating to institutions of higher education, including the administration, operation, governance, and financing of those institutions.

Amendment No. 1

Representative King offered the following amendment to **CSSB 1652**:

Amend **CSSB 1652** (House committee printing) by adding the following appropriately numbered SECTION to ARTICLE 1 of the bill and renumbering the remaining SECTIONS of ARTICLE 1 as appropriate:

SECTION _____. Subchapter Z, Chapter 51, Education Code, is amended by adding Section 51.970 to read as follows:

Sec. 51.970. LIMIT ON FUNDING OF INSTITUTION CONDUCTING HUMAN CLONING. (a) In this section:

(1) "Appropriated money" means money appropriated by the legislature through the General Appropriations Act or other law.

(2) "Human cloning" means the use of human somatic cell nuclear transfer technology to produce a human embryo. The term does not include scientific research in the use of nuclear transfer or other cloning techniques to produce:

(A) molecules;

(B) DNA;

(C) cells other than human embryos;

(D) tissues;

(E) organs;

(F) plants; or

(G) animals other than humans.

(3) "Human embryo" means a living organism with a full or nearly full human genetic composition in the earliest stages of development, including the one-cell stage.

(4) "Human somatic cell" means a cell of a developing or fully developed, living or deceased, human being that is not a sperm or egg cell.

(5) "Human somatic cell nuclear transfer" means the transfer of the genetic material of a human somatic cell into a fertilized or unfertilized egg cell whose genetic material has been removed or rendered inert.

(b) An institution of higher education may not receive or expend appropriated money if the institution engages in human cloning.

Amendment No. 1 was withdrawn.

Amendment No. 2

Representative Naishtat offered the following amendment to **CSSB 1652**:

Amend **CSSB 1652** (House Committee Printing) by adding the following appropriately numbered SECTION to Article 4 of the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 51.936, Education Code, is amended by amending Subsections (a) and (b) and adding Subsection (e) to read as follows:

(a) Subchapter F, Chapter 37, applies to a postsecondary [hazing at an] educational institution under this section in the same manner as that subchapter applies to a public or private high school.

(b) For purposes of this section, in Subchapter F, Chapter 37, "postsecondary educational institution" means:

(1) an institution of higher education as defined by Section 61.003;

(2) a private or independent institution of higher education as defined by Section 61.003; or

(3) a private postsecondary educational institution as defined by Section 61.302.

(e) Section 1.001(a) does not limit the application of this section to postsecondary educational institutions supported in whole or part by state tax funds.

Amendment No. 2 was adopted without objection.

Amendment No. 3

Representative Crownover offered the following amendment to **CSSB 1652**:

Amend **CSSB 1652** by adding the following appropriately numbered SECTIONS to ARTICLE 1 and renumbering the other SECTIONS of ARTICLE 1 accordingly:

SECTION 1._____. Section 53.02, Education Code, is amended by adding Subdivision (14) to read as follows:

(14) "Borrower" means any of the following entities that is the recipient of a loan made under Section 53.34:

(A) an institution of higher education;

(B) a nonprofit corporation:

(i) incorporated by and under the exclusive control of an institution of higher education; or

(ii) incorporated and operating for the exclusive benefit of an institution of higher education and authorized by the governing board of the institution to enter into a transaction as a borrower under this chapter;

- (C) an accredited primary or secondary school; or
- (D) an authorized charter school.

SECTION 1. _____. Section 53.33, Education Code, is amended to read as follows:

Sec. 53.33. LIMITED POWER TO ACQUIRE, OWN, AND OPERATE EDUCATIONAL AND HOUSING FACILITIES [—CONSTRUCTION, ACQUISITION, ETC]. (a) An [The] authority or a nonprofit instrumentality created under Section 53.35(b) may acquire, own, hold title to, lease, or operate an educational facility or housing facility or any facility incidental, subordinate, or related to or appropriate in connection with an educational facility or housing facility, but only if:

(1) the facility is or will be located within the corporate limits of the city that created the authority or nonprofit instrumentality;

(2) the governing body of an institution of higher education officially requests the authority or nonprofit instrumentality to acquire and own the facility for the benefit of the institution of higher education;

(3) the institution of higher education officially agrees to accept, and has the authority to receive legal title to, the facility not later than the date on which any bonds or other obligations issued to acquire the facility are paid in full; and

(4) the ownership of the facility by the authority or the nonprofit instrumentality is approved by official action of the governing body of:

(A) the city that created the authority or nonprofit instrumentality;

(B) the school district in which the facility is or will be located; and

(C) the county in which the facility is or will be located.

(b) An authority or instrumentality that exercises the powers granted by Subsection (a) may contract for the operation of the facility by public or private entities or persons on the terms and conditions set forth in a contract relating to the operation of the facility.

(c) The changes in law made by the amendment of this section by the 78th Legislature at the 2003 Regular Session do not affect the acquisition, ownership, construction, or improvement of a facility, or the acquisition and ownership of land that were approved by official action of the authority or nonprofit corporate instrumentality before March 15, 2003, and the law in effect immediately before the effective date of the amendment of this section by the 78th Legislature at the 2003 Regular Session is continued in effect for that purpose [by purchase, purchase contract, or lease, may construct, or may enlarge, extend, repair, renovate, or otherwise improve educational facilities or housing facilities. It may acquire land for those purposes, furnish and equip the facilities, and provide by contract, lease, or otherwise for the operation and maintenance of the facilities. The facilities need not be located within the city limits of the city or cities].

SECTION 1. _____. Section 53.34, Education Code, is amended to read as follows:

Sec. 53.34. REVENUE BONDS. (a) An ~~The~~ authority or a nonprofit instrumentality created under Section 53.35(b), including an authority or nonprofit instrumentality authorized to own facilities under Section 53.33(a), may issue and execute revenue bonds or other obligations to loan or otherwise provide funds to a borrower if:

(1) the governing body of the borrower by official action requests the issuer of the bonds or other obligations to loan the proceeds under this subsection;

(2) the purpose of the loan is to enable the borrower to acquire, construct, enlarge, extend, repair, renovate, or otherwise improve an educational facility or housing facility or any facility incidental, subordinate, or related to or appropriate in connection with an educational facility or housing facility, or for acquiring land to be used for those purposes, or to create operating and debt service reserves for and to pay issuance costs related to the bonds or other obligations; and

(3) under the terms of the loan, and unless a mortgage lien granted to secure the loan is in default, the ownership of the facility is required to be at all times under the exclusive control, and held for the exclusive benefit, of the borrower ~~[for any of its purposes].~~

(b) In issuing revenue bonds or other obligations under this chapter, the issuer of the bonds or other obligations ~~[authority]~~ is considered to be acting on behalf of the ~~[any]~~ city by which it was created.

(c) Bonds or other obligations issued under Subsection (a) ~~[(b) The bonds]~~ shall be payable from and secured by a pledge of the revenues, income, ~~[all or any part of the gross or net revenue to be derived from the operation of the facility or facilities and any other revenue]~~ or assets pledged for the purpose by the borrower. The bonds or other obligations may be additionally secured by a mortgage, ~~[or]~~ deed of trust, ~~[on real property of the authority]~~ or ~~[by a]~~ chattel mortgage on real or ~~[its]~~ personal property, or on ~~[by]~~ both real and personal property, if granted by the borrower.

(d) A facility financed with the proceeds of a loan or loans made to a borrower under Subsection (a) is not required to be located within the corporate limits of the city that created the issuer of the bonds or other obligations.

(e) An authority or a nonprofit instrumentality that is authorized to acquire and own educational facilities and housing facilities under Section 53.33(a) may issue and execute revenue bonds and other obligations for the purpose of acquiring, owning, and operating the educational and housing facilities, to create operating reserves for the facilities, and to create debt service reserves for and to pay issuance costs related to the bonds or other obligations.

(f) Bonds or other obligations issued under Subsection (e) shall be payable from and secured by a pledge of all or any part of the gross or net revenues to be derived from the operation of the educational facilities and housing facilities being acquired and any other revenues, income, or assets, including the revenues and income of the educational facilities or housing facilities previously acquired or subsequently to be acquired. The bonds or other obligations may be

additionally secured by a mortgage, deed of trust, or chattel mortgage on real or personal property, or on both real and personal property, if granted by the authority or nonprofit instrumentality issuing the bonds or other obligations.

(g) The changes in law made by the amendment of this section by the 78th Legislature at the 2003 Regular Session affect and apply only to transactions involving bonds or other obligations that are issued or executed under this chapter on or after March 15, 2003. Bonds or their obligations that are issued or executed under this chapter before March 15, 2003, are governed by the law in effect immediately before the amendment of this section by the 78th Legislature at the 2003 Regular Session, and that former law is continued in effect for that purpose.

SECTION 1. _____. Subsection (b), Section 53.35, Education Code, is amended to read as follows:

(b) In addition to or in lieu of establishing an authority under the provisions of this chapter, the governing body of a city or cities may request or order created one or more nonprofit corporations to act on its behalf and as its duly constituted authority and instrumentality to exercise the powers granted to an authority under the provisions of Sections ~~Section~~ 53.32 and 53.34 [~~Texas Education Code~~]. If a nonprofit corporation is created for such purposes or agrees to such request, the directors thereof shall thereafter be appointed and be subject to removal by the governing body of the city or cities. In addition to the powers [~~of lease or acquisition of facilities~~] granted under, and subject to the limitations provided by, Sections ~~Section~~ 53.33 and 53.34, the corporation shall have all powers granted under the Texas Non-Profit Corporation Act for the purpose of aiding institutions of higher education in providing educational facilities and housing facilities and facilities incidental, subordinate, or related thereto or appropriate in connection therewith. In addition to Sections [~~the provisions of Section~~] 53.33 and 53.34 and the Texas Non-Profit Corporation Act, as amended (Article 1396-1.01, Vernon's Texas Civil Statutes), Sections 53.131, 53.14, 53.15, 53.31, 53.32, 53.331, 53.34, 53.35, 53.38, and 53.41 of this code [~~Texas Education Code, shall~~] apply to and govern such corporation and its procedures, ~~and~~ bonds, and other obligations.

SECTION 1. _____. Section 53.48, Education Code, is amended to read as follows:

Sec. 53.48. BONDS FOR ACCREDITED PRIMARY OR SECONDARY SCHOOLS. In the same manner that a corporation may issue an execute bonds or other obligations under this chapter for an institution of higher education, a corporation created under Section 53.35(b) may issue and execute bonds or other obligations to finance or refinance educational facilities or housing facilities to be used by an accredited primary or secondary school or by an authorized charter school.

Amendment No. 3 was adopted without objection.

Amendment No. 4

Representative J. Davis offered the following amendment to **CSSB 1652**:

Amend **CSSB 1652** by adding the following appropriately numbered SECTIONS to the bill and by renumbering existing SECTIONS of the bill accordingly:

SECTION _____. Section 55.1732(a), Education Code, is amended to read as follows:

(a) In addition to the other authority granted by this subchapter, the board of regents of The University of Texas System may issue in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board bonds for the following institutions not to exceed the following aggregate principal amounts to finance projects specified as follows:

(1) The University of Texas at Arlington, \$16,635,945 to construct a science building;

(2) The University of Texas at Brownsville, \$26,010,000 to construct a life and health science and education facility (Phase II) and to procure and install permanent equipment and other fixtures in the facility;

(3) The University of Texas at Dallas, \$21,993,750 to renovate Founders Hall, Founders Annex, and Berkner Hall;

(4) The University of Texas at El Paso, \$12,750,000 to construct a biomedical and health sciences research center;

(5) The University of Texas-Pan American, \$29,950,000 for education complex, library, and multipurpose center renovation and construction;

(6) The University of Texas of the Permian Basin, \$5,610,000 for integrated Mesa Building renovations and gymnasium renovations;

(7) The University of Texas at San Antonio, \$22,950,000 to construct a science building on the main campus;

(8) The University of Texas at Tyler, \$20,910,000 to construct an engineering, sciences, and technology building and make other physical plant improvements;

(9) The University of Texas Southwestern Medical Center at Dallas, \$40 million for North Campus phase IV construction;

(10) The University of Texas Medical Branch at Galveston, \$20 million to renovate and expand research facilities;

(11) The University of Texas Health Science Center at Houston, \$19,550,000 to construct or purchase a classroom building;

(12) The University of Texas Health Science Center at San Antonio, \$28.9 million to construct a facility for student services and academic administration and to construct and develop a facility at the Laredo Extension Campus for educational and administrative purposes;

(13) the Regional Academic Health Center established under Section 74.611, \$25.5 million to construct a teaching and learning laboratory in or near the city of Harlingen;

(14) The University of Texas Health Center at Tyler, \$11,513,250 to construct a biomedical research center addition; and

(15) The University of Texas M. D. Anderson Cancer Center, \$20 million to construct a basic sciences research building.

SECTION _____. Subchapter B, Chapter 55, Education Code, is amended by adding Section 55.17421 to read as follows:

Sec. 55.17421. THE UNIVERSITY OF TEXAS SYSTEM; ADDITIONAL REVENUE BONDS. (a) In addition to the other authority granted by this subchapter, the board of regents of The University of Texas System may acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure for The University of Texas Health Science Center at Houston for the replacement of research and academic facilities lost in Tropical Storm Allison, to be financed by the issuance of bonds issued in accordance with this subchapter, including bonds issued in accordance with its systemwide revenue financing program and secured as provided by that program, in aggregate principal amounts not to exceed \$30 million.

(b) The board may pledge irrevocably to the payment of the bonds authorized by Subsection (a) all or any part of the revenue funds of an institution, branch, or entity of The University of Texas System, including student tuition charges required or authorized by law to be imposed on students enrolled at an institution, branch, or entity of The University of Texas System. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(c) If sufficient funds are not available to the board to meet its obligations under this section, the board may transfer funds among institutions, branches, and entities of The University of Texas System to ensure the most equitable and efficient allocation of available resources for each institution, branch, or entity to carry out its constitutional and statutory duties and purposes.

SECTION _____. Section 61.0572(e), Education Code, is amended to read as follows:

(e) Approval of the board is not required to acquire real property that is financed by bonds issued under Section 55.17(e)(3) or (4) or Sections 55.1713-55.17421 [~~55.1713-55.1718, 55.1721-55.1728, or 55.174~~], except that the board shall review all real property to be financed by bonds issued under those sections to determine whether the property meets the standards adopted by the board for cost, efficiency, and space use. If the property does not meet those standards, the board shall notify the governor, the lieutenant governor, the speaker of the house of representatives, and the Legislative Budget Board.

SECTION _____. Section 61.058(b), Education Code, is amended to read as follows:

(b) This section does not apply to construction, repair, or rehabilitation financed by bonds issued under Section 55.17 (e)(3) or (4) or Sections 55.1713-55.17421 [~~55.1713-55.1718, 55.1721-55.1728, or 55.174~~], except that the board shall review all construction, repair, or rehabilitation to be financed by bonds issued under those sections to determine whether the construction,

rehabilitation, or repair meets the standards adopted by board rule for cost, efficiency, and space use. If the construction, rehabilitation, or repair does not meet those standards, the board shall notify the governor, the lieutenant governor, the speaker of the house of representatives, and the Legislative Budget Board.

Amendment No. 4 was adopted without objection.

Amendment No. 5

Representative Merritt offered the following amendment to **CSSB 1652**:

Amend **CSSB 1652** (House Committee Printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter D, Chapter 85, Education Code, is amended by adding Section 85.511 to read as follows:

Sec. 85.511. STUDY REGARDING MAXIMIZATION OF USE OF FIELD. (a) In this section, "bureau" means the Bureau of Economic Geology of The University of Texas at Austin.

(b) The bureau shall conduct a study of the East Texas Oil Field for the purpose of making comprehensive recommendations regarding measures that should be taken to maximize the ultimate recovery of oil and gas from the field.

(c) The bureau shall make a report on or before January 1, 2005, to the governor, lieutenant governor, and speaker of the house of representatives containing comprehensive recommendations regarding measures that should be taken to maximize the ultimate recovery of oil and gas from the East Texas Oil Field.

(d) This section expires September 1, 2005.

Amendment No. 5 was adopted without objection.

Amendment No. 6

Representative Hunter offered the following amendment to **CSSB 1652**:

Amend **CSSB 1652** in ARTICLE 1 by adding the following appropriately numbered SECTION and renumbering the other SECTIONS of ARTICLE 1 accordingly:

SECTION 1. _____. Subchapter Z, Chapter 51, Education Code, is amended by adding Section 51.9461 to read as follows:

Sec. 51.9461. CHARGES AND FEES FOR CERTAIN PAYMENTS TO PRIVATE INSTITUTIONS OF HIGHER EDUCATION. A private or independent institution of higher education, as defined by Section 61.003, may charge any fee or other amount in connection with a payment to the institution that a public institution of higher education may charge under Section 54.5011. The amount of the fee or other charge may not exceed the maximum amount that a public institution of higher education may charge under Section 54.5011 for the same type of fee or charge.

Amendment No. 6 was adopted without objection.

Amendment No. 7

Representative Eissler offered the following amendment to **CSSB 1652**:

Amend **CSSB 1652**, in ARTICLE 4 of that bill, by adding the following appropriately numbered SECTIONS and renumbering the SECTIONS in that ARTICLE appropriately:

SECTION _____. Section 1954.254, Occupations Code, is amended to read as follows:

Sec. 1954.254. CONFLICT OF INTEREST FOR CERTAIN LICENSE HOLDERS. A person licensed under this chapter to perform asbestos inspections or surveys, write management plans, or design abatement specifications for an asbestos abatement project may also engage in the removal of asbestos from the building or facility at which an asbestos abatement project takes place only if the person is retained to remove the asbestos by a municipality, university, school district, or other governmental entity.

SECTION _____. Section 1954.255(b), Occupations Code, is amended to read as follows:

(b) An independent third-party monitor may not be employed by the asbestos abatement contractor to analyze an area sample collected during the abatement project, but the monitor may collect such a sample if:

(1) the monitor is employed by a university, school district, or other governmental entity; and

(2) the analysis of the sample is performed by an analyst not employed by the contractor.

Amendment No. 7 was adopted without objection.

Amendment No. 8

Representative Eissler offered the following amendment to **CSSB 1652**:

Amend **CSSB 1652** (House Committee Report) by adding the following appropriately numbered SECTION to ARTICLE 4 of the bill and renumbering the other SECTIONS of ARTICLE 4 of the bill appropriately:

SECTION _____. Subchapter G, Chapter 61, Education Code, is amended by adding Section 61.3035 to read as follows:

Sec. 61.3035. EXEMPTION FOR CERTAIN SEMINARIES. Notwithstanding this chapter or any other law, a nonprofit corporation may operate a seminary or similar institution and confer or offer to confer degrees or credits toward degrees for a "master of divinity," "master of ministry," "doctor of ministry," or other similar exclusively religious degrees if:

(1) the seminary or other institution:

(A) is affiliated with an association of churches, synagogues, or other similar religious organizations; and

(B) operates at least:

(i) one campus located in a county with a population greater than three million;

(ii) one campus located in a county with a population of 250,000 or more and less than 500,000; or

(iii) one campus located in a county with a population of less than 250,000;

(2) each campus of the seminary or other institution is contained in a building owned by a religious organization; and

(3) each building in which the seminary or other institution operates contains, or is adjacent to, a religious organization's principal place of worship.

Amendment No. 8 was adopted without objection.

Amendment No. 9

Representative King offered the following amendment to **CSSB 1652**:

Amend **CSSB 1652** (House committee printing) by adding the following appropriately numbered SECTION to ARTICLE 1 of the bill and renumbering the remaining SECTIONS of ARTICLE 1 as appropriate:

SECTION _____. Subchapter Z, Chapter 51, Education Code, is amended by adding Section 51.970 to read as follows:

Sec. 51.970. LIMIT ON FUNDING OF INSTITUTION CONDUCTING HUMAN CLONING. (a) In this section:

(1) "Appropriated money" means money appropriated by the legislature through the General Appropriations Act or other law.

(2) "Human cloning" means the use of human somatic cell nuclear transfer technology to produce a human embryo. The term does not include scientific research in the use of nuclear transfer or other cloning techniques to produce:

(A) molecules;

(B) DNA;

(C) cells other than human embryos;

(D) tissues;

(E) organs;

(F) plants; or

(G) animals other than humans.

(3) "Human embryo" means a living organism with a full or nearly full human genetic composition in the earliest stages of development, including the one-cell stage.

(4) "Human somatic cell" means a cell of a developing or fully developed, living or deceased, human being that is not a sperm or egg cell.

(5) "Human somatic cell nuclear transfer" means the transfer of the genetic material of a human somatic cell into a fertilized or unfertilized egg cell whose genetic material has been removed or rendered inert.

(b) An institution of higher education may not receive or expend appropriated money if the institution engages in human cloning.

Amendment No. 10

Representatives Homer, Guillen, Menendez, Eiland, and Eissler offered the following amendment to Amendment No. 9:

Amend Amendment No. 9 by King to **CSSB 1652** by striking the text of the amendment and substituting the following:

SECTION ____ Chapter 161, Health and Safety Code, is amended by adding Subchapter R to read as follows:

SUBCHAPTER R. HUMAN CLONING

Sec. 161.451. DEFINITIONS. In this subchapter:

(1) "Differentiated cell" means a cell that has acquired the features of a specialized cell, such as a heart, liver, or muscle cell.

(2) "Fertilization" means the process through which male and female gametes unite.

(3) "Human cloning" means the use of human somatic cell nuclear transfer technology, or the product of such technology, with the intent to produce a human individual by implanting or attempting to implant the product of the technology into a uterus or the functional equivalent of a uterus.

(4) "Human somatic cell nuclear transfer technology" means the transfer of a cell nucleus from a cell, other than an egg or sperm cell, into an unfertilized egg from which the nucleus is removed or rendered inert to form an unfertilized blastocyst.

(5) "Nucleus" means the cell structure that houses the chromosomes.

(6) "Pluripotent stem cell" means a stem cell that has the ability to develop into many different cell types of the body.

(7) "Regenerative or reparative medical therapy or treatment" means a therapy or treatment in which pluripotent stem cells are induced to differentiate into the specific cell type required to repair damaged or depleted adult cell populations or tissues.

(8) "Undifferentiated cell" means a cell that has not changed to become a specialized cell type.

(9) "Unfertilized blastocyst" means an intact cellular structure that is the product of human somatic cell nuclear transfer. The term does not include stem cells, other cells, cellular structures, or biological products derived from an intact cellular structure that is the product of human somatic cell nuclear transfer technology.

Sec. 161.452. HUMAN CLONING PROHIBITED. (a) A person may not engage in or attempt to engage in human cloning.

(b) A person may not maintain an unfertilized blastocyst for more than 14 days after the date of its first cell division, not including any time during which the blastocyst is stored at a temperature of zero degrees centigrade or less.

(c) This subchapter does not restrict:

(1) scientific research using human somatic cell nuclear transfer technology to develop regenerative or reparative medical therapies or treatments;
or

(2) any other research not specifically prohibited by this subchapter.

Sec. 161.453. CRIMINAL OFFENSE. (a) A person commits an offense if the person intentionally engages in human cloning. An offense under this subsection is a felony of the first degree.

(b) A person commits an offense if the person recklessly violates Section 161.452(b). An offense under this subsection is a Class A misdemeanor unless it is shown on the trial of the defendant that the offense was committed with the intent to engage in human cloning, in which case it is a felony of the first degree.

Sec. 161.454. RESEARCH OVERSIGHT. Research using human somatic cell nuclear transfer technology that is not prohibited by this subchapter must be:

(1) conducted with full consideration for the ethical and medical implications of the research; and

(2) reviewed, in each case, by an institutional review board for compliance with applicable state and federal law.

Representative King moved to table Amendment No. 10.

A record vote was requested.

The motion to table was lost by (Record 741): 57 Yeas, 81 Nays, 2 Present, not voting.

Yeas — Allen; Berman; Bohac; Bonnen; Brown, B.; Brown, F.; Callegari; Campbell; Canales; Corte; Crabb; Davis, Y.; Dawson; Delisi; Denny; Deshotel; Driver; Flynn; Gattis; Grusendorf; Harper-Brown; Hartnett; Hegar; Hilderbran; Hill; Howard; Hughes; Isett; Jones, D.; Jones, J.; Keffer, B.; Keffer, J.; King; Laubenberg; Luna; Madden; Marchant; Mercer; Miller; Morrison; Nixon; Paxton; Phillips; Pitts; Quintanilla; Reyna; Seaman; Smith, W.; Smithee; Solomons; Swinford; Talton; Taylor; Van Arsdale; West; Wohlgemuth; Zedler.

Nays — Alonzo; Baxter; Branch; Burnam; Capelo; Casteel; Castro; Chavez; Coleman; Cook, R.; Crownover; Davis, J.; Dukes; Dunnam; Dutton; Eiland; Eissler; Elkins; Escobar; Farabee; Farrar; Flores; Gallego; Garza; Geren; Giddings; Goodman; Goolsby; Griggs; Guillen; Gutierrez; Haggerty; Hamilton; Hamric; Hardcastle; Hochberg; Hodge; Homer; Hopson; Hunter; Hupp; Jones, E.; Keel; Kolkhorst; Kuempel; Laney; Lewis; Mabry; Martinez Fischer; McCall; McClendon; McReynolds; Menendez; Merritt; Moreno, J.; Moreno, P.; Mowery; Naishtat; Noriega; Oliveira; Olivo; Peña; Pickett; Puente; Raymond; Ritter; Rodriguez; Rose; Solis; Stick; Telford; Thompson; Truitt; Turner; Uresti; Villarreal; Wilson; Wise; Wolens; Wong; Woolley.

Present, not voting — Mr. Speaker(C); Smith, T.

Absent, Excused — Hope.

Absent, Excused, Committee Meeting — Heflin.

Absent — Bailey; Chisum; Christian; Cook, B.; Edwards; Ellis; Krusee; Riddle.

STATEMENTS OF VOTE

When Record No. 741 was taken, my vote failed to register. I would have voted yes.

Ellis

I was shown voting no on Record No. 741. I intended to vote yes.

Kuempel

A record vote was requested.

Amendment No. 10 was adopted by (Record 742): 75 Yeas, 65 Nays, 3 Present, not voting.

Yeas — Alonzo; Baxter; Branch; Burnam; Campbell; Canales; Capelo; Casteel; Castro; Chavez; Coleman; Cook, R.; Crownover; Davis, J.; Davis, Y.; Dukes; Dunnam; Dutton; Eiland; Eissler; Ellis; Escobar; Farabee; Farrar; Flores; Gallego; Garza; Geren; Giddings; Goodman; Goolsby; Guillen; Haggerty; Hamric; Hardcastle; Hochberg; Hodge; Homer; Hopson; Hunter; Jones, E.; Keel; Kolkhorst; Lewis; Mabry; Martinez Fischer; McCall; McClendon; McReynolds; Menendez; Merritt; Moreno, J.; Moreno, P.; Mowery; Naishtat; Noriega; Oliveira; Olivo; Peña; Puente; Raymond; Ritter; Rodriguez; Rose; Solis; Stick; Telford; Thompson; Turner; Uresti; Villarreal; Wise; Wolens; Wong; Woolley.

Nays — Allen; Berman; Bohac; Bonnen; Brown, B.; Brown, F.; Callegari; Chisum; Christian; Cook, B.; Corte; Crabb; Dawson; Delisi; Denny; Deshotel; Driver; Elkins; Flynn; Gattis; Griggs; Grusendorf; Hamilton; Harper-Brown; Hartnett; Hegar; Hill; Howard; Hughes; Hupp; Isett; Jones, D.; Jones, J.; Keffer, B.; Keffer, J.; King; Kuempel; Laubenberg; Luna; Madden; Marchant; Mercer; Miller; Morrison; Nixon; Paxton; Phillips; Pickett; Pitts; Quintanilla; Reyna; Riddle; Seaman; Smith, T.; Smith, W.; Smithee; Solomons; Swinford; Talton; Taylor; Van Arsdale; West; Wilson; Wohlgemuth; Zedler.

Present, not voting — Mr. Speaker(C); Edwards; Truitt.

Absent, Excused — Hope.

Absent, Excused, Committee Meeting — Heflin.

Absent — Bailey; Gutierrez; Hilderbran; Krusee; Laney.

STATEMENT OF VOTE

When Record No. 742 was taken, my vote failed to register. I would have voted no.

Hilderbran

REASONS FOR VOTE

With regard to the aye vote on record vote 742, the Homer amendment to the King amendment; I am adamantly against human cloning. I support this research for medical and disease purposes only.

Farabee

I am adamantly opposed to human cloning.

Branch
Eissler
Hamric
McCall
Woolley

Amendment No. 9 was withdrawn.

Amendment No. 11

Representative Morrison offered the following amendment to **CSSB 1652**:

Amend **CSSB 1652** by adding the following appropriately numbered ARTICLE and renumbering the other ARTICLES accordingly:

ARTICLE _____. STUDY OF ORGANIZATION, OPERATIONS, AND
FUNDING OF HIGHER EDUCATION

SECTION _____.01. The legislature finds that:

(1) it is vital to the economy of this state that all areas of the state have access to quality higher education;

(2) it is in the interest of all residents of this state that an efficient and sufficiently funded higher education infrastructure exist that affords residents opportunities to become educated and productive members of the state's economy; and

(3) the Texas Higher Education Coordinating Board's report on closing the gaps provides an appropriate starting point for constructing a plan for meeting the state's current and future higher education needs.

SECTION _____.02. (a) An interim committee is established to study the organization, operations, and funding of higher education. The interim committee is composed of:

(1) eight members of the house of representatives appointed by the speaker of the house;

(2) six members of the senate appointed by the lieutenant governor; and

(3) four public members appointed by the governor.

(b) The membership of the committee must be representative of all geographic areas of the state.

(c) The committee shall be co-chaired by the chairs of the standing committee of each house of the legislature with primary jurisdiction over higher education.

(d) The committee shall:

(1) study the structure and organization of higher education in this state, including the administration and operations of public and independent institutions of higher education; and

(2) study the equity and adequacy of higher education funding and its relationship to the purposes of higher education, including providing opportunities to students to achieve their educational goals, furthering knowledge through research, and providing direct services as local, regional, and state engines of economic development.

(e) In its review, the committee shall examine the effects of student and community characteristics on the costs of higher education, including the income and education levels of the families of students, unemployment rates, population growth, and other uncontrollable factors.

(f) In its review, the committee shall identify the number and types of classified and unclassified positions in the administration of each university system and examine each major function, service, or activity performed by university system offices, including:

(1) central administration;

- (2) academic affairs coordination and support;
- (3) general counsel and other legal services;
- (4) budgeting, accounting, and data reporting;
- (5) fiscal management;
- (6) facilities planning and construction;
- (7) governmental relations;
- (8) audit services;
- (9) real estate management;
- (10) information technology services; and
- (11) aircraft operation and usage.

(g) In its recommendations, the committee shall identify opportunities for legislative and administrative action relating to:

(1) changes in the organization and operations of institutions of higher education that will improve opportunities for residents of all areas of the state to enroll in and complete programs of higher education;

(2) changes in the funding of institutions of higher education and university systems to maximize the state's limited resources to meet the higher education needs of the state, including incentives for sharing arrangements to improve productivity;

(3) accountability measures and performance incentives for institutions of higher education and university systems that are aligned with the purposes of higher education and that are sensitive to mission differentiation among institutions of higher education;

(4) the consolidation or reorganization of university system office functions and services, including the consolidation or reorganization of university systems to promote efficiency and productivity; and

(5) potential reductions in personnel and other cost savings associated with the committee's recommendations.

(h) The committee's recommendations under Subsection (g) must include a plan for deregulating seminaries and similar institutions offering exclusively religious education or training. The plan must permit those institutions to confer or offer to confer religious degrees without accreditation and may include disclosure requirements and other appropriate safeguards to address potential fraud or deception. The requirements or safeguards may not authorize the state or a political subdivision of the state to assert regulatory authority over religious degree programs offered by those institutions.

(i) Not later than November 1, 2004, the committee shall prepare a report describing its findings and recommendations and deliver the report to the governor, lieutenant governor, speaker of the house of representatives, Legislative Budget Board, and members of the standing committee of each house of the legislature with primary jurisdiction over higher education.

(j) The committee is abolished and this section expires September 1, 2005.

Amendment No. 11 was adopted without objection.

Amendment No. 12

Representatives Gallego and Garza offered the following amendment to **CSSB 1652**:

Amend **CSSB 1652** by adding the following appropriately numbered ARTICLE and by renumbering existing ARTICLES accordingly:

ARTICLE _____. ESTABLISHMENT OF RIO GRANDE STATE
UNIVERSITY

SECTION _____. Section 96.01, Education Code, is amended to read as follows:

Sec. 96.01. SUL ROSS STATE UNIVERSITY. Sul Ross State University is a coeducational institution of higher education located in the city of Alpine [~~with an upper level educational center known as Sul Ross State University Rio Grande College operated in the cities of Del Rio, Eagle Pass, and Uvalde~~]. The university is under the management and control of the Board of Regents of the [5] Texas State University System.

SECTION _____. Chapter 96, Education Code, is amended by adding Subchapter A-1 to read as follows:

SUBCHAPTER A-1. RIO GRANDE STATE UNIVERSITY

Sec. 96.11. RIO GRANDE STATE UNIVERSITY. Rio Grande State University is a coeducational institution of higher education located in the cities of Del Rio, Eagle Pass, and Uvalde. The university is under the management and control of the Board of Regents of the Texas State University System.

Sec. 96.12. IMPLEMENTATION OF UNIVERSITY. The board of regents shall establish the university as soon as practicable.

(b) The property, facilities, faculty, and staff of Sul Ross State University Rio Grande College are transferred to Rio Grande State University on the date prescribed by the board of regents for the initial operation of the university.

SECTION _____. Section 96.02, Education Code, is repealed.

Amendment No. 12 was adopted without objection.

Amendment No. 13

Representative Branch offered the following amendment to **CSSB 1652**:

Amend **CSSB 1652** by adding a new section to the bill, numbered appropriately, to read as follows and renumbering the existing sections of the bill accordingly:

SECTION _____. (a) Section 51.214, Education Code, is amended to read as follows:

Sec. 51.214. SECURITY OFFICERS FOR MEDICAL CORPORATIONS IN CERTAIN MUNICIPALITIES. (a) In any municipality with a population of 1.18 million or more, the governing board of a private, nonprofit medical corporation that provides security services for an institution of higher education or a private postsecondary educational institution and other entities located within the same medical complex, or that provides security services for a branch of that

medical corporation ~~[complex]~~, may employ and commission security personnel to enforce the law of this state within the jurisdiction designated by Subsection (c) ~~[at the medical complex and its branches]~~.

(b) An officer commissioned under this section may make arrests and has all the powers, privileges, and immunities of a peace officer while ~~[on the property under the control and jurisdiction of the medical corporation or while otherwise]~~ performing the officer's ~~[his]~~ assigned duties within the jurisdiction designated by Subsection (c). An officer assigned to duty and commissioned shall take and file the oath required of peace officers and shall execute and file a good and sufficient bond in the sum of \$1,000, payable to the governor, with two or more good and sufficient sureties, conditioned that the officer ~~[he]~~ will fairly, impartially, and faithfully perform the duties required of the officer ~~[him]~~ by law. The bond may be sued on from time to time in the name of the person injured until the whole amount is recovered.

(c) The jurisdiction of an officer commissioned under this section is limited to:

(1) property owned, leased, managed, or controlled by the medical corporation; and

(2) a street or alley that abuts the property or an easement in or a right-of-way over or through the property.

(d) An officer commissioned by a medical corporation under this section is not entitled to compensation or benefits provided by this state or a political subdivision of this state.

(e) The state or a political subdivision of this state is not liable for an act or omission of an officer commissioned under this section during the performance of the officer's assigned duties.

(f) A medical corporation may not commission a person under this section unless the person obtains a peace officer license issued by the Commission on Law Enforcement Officer Standards and Education. The medical corporation shall pay to the Commission on Law Enforcement Officer Standards and Education on behalf of an employee any fees that are necessary to obtain a required license.

(g) A person's commission and any authority to act as an officer under this section are automatically revoked if the person's employment with a medical corporation is terminated for any reason.

(b) This section takes effect September 1, 2003.

(c) A person commissioned before the effective date of this section by a private nonprofit medical corporation under Section 51.214, Education Code, must obtain a peace officer license issued by the Commission on Law Enforcement Officer Standards and Education not later than September 1, 2004. If that person does not obtain the license by that date, the person's commission and any authority to act as an officer under Section 51.214, Education Code, as amended by this section, are automatically revoked.

Amendment No. 13 was adopted without objection.

Amendment No. 14

Representative F. Brown offered the following amendment to **CSSB 1652**:

Amend **CSSB 1652** (House Committee Report) by adding the following appropriately numbered ARTICLE to the bill and renumbering the other ARTICLES of the bill appropriately:

ARTICLE _____. PROTECTION FROM ACTS OF VIOLENCE BY
STUDENTS AND EMPLOYEES

Section _____.01. Subchapter Z, Chapter 51, Education Code, is amended by adding Section 51.9365 to read as follows:

Sec. 51.9365. PROTECTION FROM ACTS OF VIOLENCE BY STUDENTS AND EMPLOYEES. (a) The president or other chief executive officer of an institution of higher education, as defined by Section 61.003, shall provide for the identification of a student or employee who constitutes a substantial threat to human life on the campus or other facility of the institution.

(b) A student or employee who is determined to be a substantial threat to another student or employee under this section may be removed from the campus or facility.

(c) An institution of higher education shall establish procedures under this section for:

(1) the filing of complaints or reports by students and employees of persons who may constitute a substantial threat to human life; and

(2) the removal of a student or employee from the campus or facility.

(d) The procedures established under this section shall ensure due process rights for all persons under applicable state and federal law, and, as appropriate, ensure adequate confidentiality of records.

Amendment No. 14 was adopted without objection.

CSSB 1652, as amended, was passed to third reading. (D. Jones recorded voting no)

SB 474 ON SECOND READING
(Capelo and Naishtat - House Sponsors)

SB 474, A bill to be entitled An Act relating to an interim study on nutrition and health in public schools.

Amendment No. 1

Representative Capelo offered the following amendment to **SB 474**:

Amend **SB 474** House Committee Report in Section 2 as follows:

On page 3, line 27, subsection (7), strike "one member who has expertise in nutrition" and insert "a licensed or registered dietitian employed by a school district".

On page 4, line 3, strike "and"

On page 4, line 5 strike the period and insert ";

On page 4, after line 5, add two new subsections to read as follows:

"(10) an elected public school board member, appointed by the governor; and"

"(11) a representative of a statewide, voluntary membership organization representing school district boards of trustees, appointed by the governor."

Amendment No. 1 was adopted without objection.

SB 474, as amended, was passed to third reading.

SB 578 ON SECOND READING
(Branch and Grusendorf - House Sponsors)

SB 578, A bill to be entitled An Act relating to awards granted under the Texas Advanced Placement Incentive Program.

SB 578 was passed to third reading.

CSSB 755 ON SECOND READING
(Chisum - House Sponsor)

CSSB 755, A bill to be entitled An Act relating to a disclosure of a financial interest or employment by a committee member or the executive director of the Office of Rural Community Affairs.

Amendment No. 1

Representative Chisum offered the following amendment to **CSSB 755**:

Amend **CSSB 755** as follows:

(1) On page 1, line 7, strike "Section 487.059" and substitute "Sections 487.059 and 487.060".

(2) On page 3, between lines 12 and 13, insert the following:

Sec. 487.060. STATE OFFICE-HOLDING PROHIBITED. A member of the executive committee may not hold, or be a candidate for, an elected or appointed state office before the expected date of expiration of the current term of office that the member was appointed to serve on the executive committee, regardless of whether the member resigns from or is removed from office on an earlier date.

Amendment No. 1 was adopted without objection.

Amendment No. 2

Representative Chisum offered the following amendment to **CSSB 755**:

Amend **CSSB 755** by adding the following appropriately numbered section to the bill and renumbering the subsequent sections of the bill accordingly:

SECTION _____. Section 487.024(a), Government Code, is amended to read as follows:

(a) It is a ground for removal from the executive committee that a member:

(1) does not have at the time of taking office the qualifications required by Section 487.021;

(2) does not maintain during service on the executive committee the qualifications required by Section 487.021;

(3) is ineligible for membership under Section 487.022;

(4) cannot, because of illness or disability, discharge the member's duties for a substantial part of the member's term; [✕]

(5) is absent from more than half of the regularly scheduled executive committee meetings that the member is eligible to attend during a calendar year without an excuse approved by a majority vote of the executive committee; or
(6) declares political candidacy for an elected state office.

Amendment No. 2 was adopted without objection.

CSSB 755, as amended, was passed to third reading.

CSSB 820 ON SECOND READING
(Solomons - House Sponsor)

CSSB 820, A bill to be entitled An Act relating to the certification of maximum medical improvement and assignment of an impairment rating for an employee receiving workers' compensation benefits.

Amendment No. 1

Representative Solomons offered the following amendment to **CSSB 820**:

Amend **CSSB 820** as follows:

(1) In SECTION 1 of the bill, in proposed Section 408.123(f), Labor Code (committee printing page 2, line 13), at the end of that subsection, insert "A certification or assignment may be disputed after the 90th day only as provided by Subsection (e)."

(2) In SECTION 1 of the bill, in proposed Section 408.123(g), Labor Code (committee printing page 2, line 21), at the end of that subsection, insert "A certification or assignment may be disputed after the 90th day only as provided by Subsection (e)."

Amendment No. 1 was adopted without objection.

CSSB 820, as amended, was passed to third reading.

SB 1942 ON SECOND READING
(Luna and Rose - House Sponsors)

SB 1942, A bill to be entitled An Act relating to the name of Southwest Texas State University.

Amendment No. 1

Representative Chisum offered the following amendment to **SB 1942**:

Amend **SB 1942** (House Committee Printing) by striking SECTION 12 of the bill (page 9, line 2) and substituting the following:

SECTION 12. This Act takes effect September 1, 2004, but only if before that date the change of the name of Southwest Texas State University to Texas State University—San Marcos is approved by a majority vote of the students at the university voting in an election held for that purpose in conjunction with, and using the same ballot as, the general election held for student government officers during the 2003-2004 academic year, and by a majority of the former students of the university voting in an election held for that purpose during the 2003-2004 academic year conducted by the university. The election for former students may permit a former student to vote on the proposition using an electronic or paper

ballot. The board of regents of the Texas State University System shall certify the results of the elections to the secretary of state. If either election described by this section is not held, or if the proposition does not receive the required majority vote at either election, this Act has no effect.

Representative Luna moved to table Amendment No. 1.

The motion to table prevailed.

SB 1942 was passed to third reading. (B. Cook, Dawson, Deshotel, and Ritter recorded voting no; R. Cook recorded voting present, not voting)

SB 800 ON SECOND READING

(Corte, Uresti, Delisi, Mercer, Hupp, et al. - House Sponsors)

SB 800, A bill to be entitled An Act relating to the establishment of Texas A&M University-San Antonio and Texas A&M University-Central Texas.

(Nixon in the chair)

Amendment No. 1

Representative Delisi offered the following amendment to **SB 800**:

Amend **SB 800** by adding the following appropriately numbered SECTION and renumbering the other SECTIONS of the bill accordingly:

SECTION _____. Subchapter B, Chapter 55, Education Code, is amended by adding Section 55.1741 to read as follows:

Sec. 55.1741. THE TEXAS A&M UNIVERSITY SYSTEM; ADDITIONAL REVENUE BONDS. (a) In addition to the other authority granted by this subchapter, the board of regents of The Texas A&M University System may acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, or other facilities, including roads and related infrastructure, for The Texas A&M University System Health Science Center to develop a biosciences research center in the city of Temple, to be financed by the issuance of bonds in accordance with this subchapter, including bonds issued in accordance with a systemwide revenue financing program and secured as provided by that program, in an aggregate principal amount not to exceed \$15 million.

(b) The board may pledge irrevocably to the payment of the bonds authorized by this section all or any part of the revenue funds of an institution, branch, or entity of The Texas A&M University System, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(c) If sufficient funds are not available to the board to meet its obligations under this section, the board may transfer funds among institutions, branches, and entities of The Texas A&M University System to ensure the most equitable and efficient allocation of available resources for each institution, branch, or entity to carry out its duties and purposes.

(d) If the Temple Health and Bioscience Economic Development District is established, the district is responsible for the payment of debt service on the bonds authorized by this section for any facilities financed by the bonds that are located in the district and used to support the purposes or programs of the district.

(e) The legislature may not appropriate general revenue to pay, or to reimburse the board or Texas A&M University for the payment of, debt service on bonds authorized by this section.

Amendment No. 1 was adopted without objection.

SB 800, as amended, was passed to third reading.

**SB 893 ON SECOND READING
(Grusendorf - House Sponsor)**

SB 893, A bill to be entitled An Act relating to certain procedures in a teacher suspension or contract termination hearing.

Amendment No. 1

Representative Eissler offered the following amendment to **SB 893**:

Amend **SB 893** (House Committee Report) as follows:

(1) On page 2, strike lines 25 and 26, and substitute the following:

SECTION 3. Section 21.257, Education Code, is amended by amending Subsections (a) and (c) and adding Subsection (a-1) to read as follows:

(2) On page 3, between lines 6 and 7, insert the following:

(a-1) In making a proposed conclusion of law whether good cause exists for termination, suspension without pay, or nonrenewal of a teacher's employment contract, the hearing examiner must apply any board policy in the record concerning or defining good cause for termination, suspension without pay, or nonrenewal of a teacher's employment contract. The hearing examiner shall make all proposed findings of fact supported by a preponderance of evidence so that the board of trustees or board subcommittee may make an informed determination whether good cause for termination, suspension without pay, or nonrenewal as defined by board policy exists.

Amendment No. 1 was adopted without objection.

SB 893, as amended, was passed to third reading.

**SB 977 ON SECOND READING
(Hope - House Sponsor)**

SB 977, A bill to be entitled An Act relating to custody of the assets of certain public retirement systems.

SB 977 was passed to third reading.

**SB 1152 ON SECOND READING
(Solomons - House Sponsor)**

SB 1152, A bill to be entitled An Act relating to the use of TexasOnline.

Amendment No. 1 (Committee Amendment No. 1)

On behalf of Representative Swinford, Representative Solomons offered the following committee amendment to **SB 1152**:

Strike Section 8 and replace with SECTION 8:

SECTION 8: Section 2054.253, Government Code, as added by Chapter 342, Acts of the 77th Legislature, Regular Session, 2001, is amended by amending Subsection (a) to read as follows:

(a) The authority consists of the comptroller, who serves ex officio, or the designee of the comptroller, and a board member who serves at the pleasure of the governor, and 15 members appointed by the governor, as follows:

~~[a representative of each of the following state officers or agencies appointed by the state officer or the governing body of the agency: ((A) the comptroller; and ((B) the department];~~

~~(2)~~ (1) three representatives of local governments appointed by the governor, including one representative from a junior college district;

~~(3)~~ (2) three representatives of businesses that are regulated by a state agency or local government, appointed by the governor, including one representative from a rural area;

~~(4)~~ (3) four representatives of state agencies, including an institution of higher education other than a junior college district, appointed by the governor, including one representative from a rural area; and

~~(5)~~ (4) five ~~[three]~~ public members appointed by the governor, including one representative from a rural area.

Strike Section 11 and replace as follows:

SECTION 11. Section 2054.255, Government Code, is amended to read as follows:

Sec. 2054.255. PRESIDING OFFICER. The Governor shall designate ~~The member of the authority representing the department~~ is the presiding officer of the authority to serve at the pleasure of the Governor.

Amendment No. 1 was adopted without objection.

Amendment No. 2 (Committee Amendment No. 2)

Representative Swinford offered the following committee amendment to **SB 1152**:

Amend **SB 1152** by adding the following amendment and renumbering accordingly:

SECTION 12. Amend Section 2054.256, Government Code, to read as follows:

Sec. 2054.256. MEETINGS. (a) The authority shall meet at least quarterly.

(b) The authority may hold an open or closed meeting by telephone conference subject to the requirements of Section 551.125(c) - (f).

Amendment No. 2 was adopted without objection.

Amendment No. 3

Representative Solomons offered the following amendment to **SB 1152**:

Amend **SB 1152** (senate engrossment) as follows:

(1) Between SECTIONS 14 and 15 (page 11, between lines 24 and 25), insert a new appropriately numbered SECTION as follows:

SECTION _____. Chapter 32, Education Code, is amended by adding Subchapter D to read as follows:

SUBCHAPTER D. EDUCATION INTERNET PORTAL

Sec. 32.151. DEFINITION. In this subchapter, "portal" means the education Internet portal required by this subchapter.

Sec. 32.152. EDUCATION INTERNET PORTAL; GENERAL PURPOSES. (a) The agency, with assistance from the Department of Information Resources and with participation by the Texas Higher Education Coordinating Board, interested school districts, and interested persons in the private sector, shall establish and maintain an education Internet portal for use by school districts, teachers, parents, and students.

(b) The portal must serve as a single point of access to educational resources. In addition to any other purpose specified by this subchapter or any other educational purpose, the portal may be used to:

(1) alleviate inequities in access to educational resources by providing access to on-line courses;

(2) improve student academic performance by providing access to tutorial materials, instructional materials that have been shown to improve academic performance, and other interactive materials, including materials that assess an individual student's knowledge and prepare the student for the administration of a standardized assessment instrument, including an assessment instrument administered under Section 39.023;

(3) provide school districts with access to administrative software and other electronic tools designed to promote administrative efficiency and intra-district communication;

(4) provide secure access to student assessment data; or

(5) provide links to appropriate educational resources and experts available through the Internet.

Sec. 32.153. ADMINISTRATION. (a) The agency has responsibility for general administration and oversight of the portal and for approving the content of all information made available through the portal.

(b) The Department of Information Resources shall:

(1) host the portal through the project known as TexasOnline;

(2) organize the portal in a manner that simplifies portal use and administration;

(3) provide any necessary technical advice to the agency, including advice relating to equipment required in connection with the portal;

(4) provide a method for maintaining the information made available through the portal; and

(5) cooperate with the agency in linking the agency's Internet site to the portal.

(c) The Department of Information Resources may assist the agency with technical advice regarding contracting with vendors for services in connection with the portal.

(d) The joint advisory committee established under Section 61.077, or any successor to that committee with advisory responsibility for coordination between secondary and postsecondary education, shall serve in an advisory capacity to the agency and the Department of Information Resources in connection with functions relating to the portal.

Sec. 32.154. ON-LINE COURSES. (a) The agency may coordinate the identification and development of on-line courses made available through the portal. A course may not be made available through the portal unless the course is reviewed by the agency and approved by the commissioner.

(b) In coordinating, developing, and reviewing courses to be made available through the portal, the agency shall give priority to any course that is not readily available to students throughout the state and for which there is a critical need.

(c) A course made available through the portal must be aligned with state curriculum requirements under Section 28.002 and the essential knowledge and skills identified under that section.

(d) The agency may develop quality assurance criteria to be used by the agency in developing and reviewing courses made available through the portal. The criteria must include components relating to:

- (1) course content;
- (2) instructor qualifications;
- (3) validity of assessment procedures;
- (4) security features; and
- (5) degree of interactivity.

Sec. 32.155. ON-LINE COURSE SCHOLARSHIPS. (a) Using funds available for that purpose, the agency may award a scholarship for the costs of an on-line course to a student who demonstrates that:

(1) the student has inequitable access to the course; and
(2) access to the course would improve the likelihood of the student's academic success.

(b) The commissioner may adopt criteria to be used in awarding scholarships under this section. The criteria must limit the availability of scholarships to students who:

(1) are enrolled in a public school on a full-time basis; or
(2) were enrolled in a public school on a full-time basis for at least three months during the preceding school year and indicate an intent to enroll in a public school on a full-time basis for at least three months during the school year for which the scholarship is offered.

Sec. 32.156. ON-LINE TEXTBOOKS. (a) The agency may develop and adopt strategies for making textbooks available through the portal or through other means in an electronic format as an alternative or supplement to traditional textbooks.

(b) In developing and adopting strategies under this section, the agency shall seek to achieve a system under which a student may, in addition to a traditional textbook, be provided with secure Internet access to each textbook used by the student.

Sec. 32.157. SCHOOL DISTRICT ADMINISTRATIVE SOFTWARE AND ELECTRONIC TOOLS. (a) The agency may:

(1) identify effective Internet-based administrative software and other electronic tools that may be used by school districts to improve district administrative functions; and

(2) pursue efforts to make that software and other electronic tools available through the portal for use by school districts on a voluntary basis.

(b) The agency may assist school districts in identifying sources of funding that may be used by districts to pay any costs associated with using administrative software and other electronic tools available through the portal. To the extent that funds are available to the agency, the agency may provide administrative software and other electronic tools through the portal at no cost to specific school districts selected by the agency based on demonstrated need.

Sec. 32.158. STUDENT ASSESSMENT DATA. (a) The agency may establish a secure, interoperable system to be implemented through the portal under which school districts can readily access student assessment data for use in developing strategies for improving student performance.

(b) In establishing the system required by this section, the agency shall seek to further the goal of providing school districts with access to student performance information at the classroom level.

Sec. 32.159. FEES. (a) The agency may charge school districts, teachers, parents, students, and other persons a reasonable fee for services or information provided through the portal.

(b) The total amount of fees charged under this section may not exceed the amount necessary to pay costs associated with the development, administration, and maintenance of the portal.

(c) An individual fee charged to a person under this section for a service or information may not exceed the amount that the person would be required to pay to obtain the service or information from a commercial source or through another means of access other than the portal.

(d) To the extent possible, the agency shall make services and information available through the portal at no cost to school districts, teachers, parents, students, and other persons.

Sec. 32.160. VENDOR PARTICIPATION. (a) The agency may seek proposals from private vendors for providing on-line courses or other materials or services through the portal in accordance with this subchapter. A vendor may not provide an on-line course or other material or service through the portal without approval by the agency.

(b) The agency may require a vendor, as a condition of approval of the vendor's proposal, to:

(1) pay:

(A) all or part of the costs of providing the on-line course or other material or service;

(B) an access fee to be used by the agency in paying the general costs of maintaining the portal; or

(C) both the amounts described by Paragraphs (A) and (B); and

(2) if applicable, provide on-line course scholarships to students in accordance with criteria adopted by the commissioner.

Sec. 32.161. FUNDING. (a) The agency may not use general revenue funds to pay the costs of developing, administering, and maintaining the portal. The agency may use amounts available to the agency from:

(1) gifts, grants, or donations;

(2) vendor payments described by Section 32.160(b); or

(3) arrangements with nonprofit or private entities approved by the agency.

(b) To the extent possible considering other statutory requirements, the commissioner and agency shall encourage the use of textbook funds and technology allotment funds under Section 31.021(b)(2) in a manner that facilitates the development and use of the portal.

Sec. 32.162. STATEWIDE LICENSING AND CONTRACTING. As appropriate to promote the availability through the portal of services and information specified by this subchapter at no cost to users or at a reasonable cost, the agency may negotiate statewide licenses or discounts with software vendors and other persons offering applications that are suitable for use through the portal.

Sec. 32.163. OUTREACH AND TRAINING. (a) The agency may conduct outreach activities to provide information regarding the portal to school districts, teachers, parents, and students.

(b) The agency may provide training to school districts and teachers in use of the portal. Training in use of the portal may be made available to parents and students by the agency or school districts, as determined by commissioner rule.

(2) Between SECTIONS 17 and 18 (page 12, between lines 20 and 21), insert the following appropriately numbered SECTIONS:

SECTION ____. Not later than January 1, 2005, the Texas Education Agency shall submit a report to the legislature that contains recommendations for maximizing the benefits of providing access to textbooks or other educational materials through the Internet using the education Internet portal required by Subchapter D, Chapter 32, Education Code, as added by this Act.

SECTION ____. The Texas Education Agency and the Department of Information Resources shall coordinate agency and department activities in implementing Subchapter D, Chapter 32, Education Code, as added by this Act, with relevant ongoing activities relating to modification of the Public Education Information Management System (PEIMS) and other systems necessary to conform state educational reporting processes with educational reporting requirements imposed by federal law.

(3) Renumber the SECTIONS of the bill appropriately.

Amendment No. 3 was adopted without objection.

SB 1152, as amended, was passed to third reading.

SB 893 - VOTE RECONSIDERED

Representative Eissler moved to reconsider the vote by which **SB 893** was passed to third reading.

The motion to reconsider prevailed.

SB 893 ON SECOND READING
(Grusendorf - House Sponsor)

SB 893, A bill to be entitled An Act relating to certain procedures in a teacher suspension or contract termination hearing.

Amendment No. 1 - Vote Reconsidered

Representative Eissler moved to reconsider the vote by which Amendment No. 1 was adopted.

The motion to reconsider prevailed.

Amendment No. 1 was withdrawn.

SB 893 was passed to third reading.

SB 1173 ON SECOND READING
(Delisi - House Sponsor)

SB 1173, A bill to be entitled An Act relating to prescription drug benefits under the group health benefit programs for certain governmental employees and retired employees.

Amendment No. 1

Representative Hopson offered the following amendment to **SB 1173**:

Amend **SB 1173** (House Committee Printing) as follows:

(1) In the recital to SECTION 1 of the bill (page 1, line 7), strike "Section 1551.218" and substitute "Sections 1551.218 and 1551.219".

(2) In SECTION 1 of the bill, immediately following added Section 1551.218, Insurance Code (page 2, between lines 3 and 4), insert the following:

Sec. 1551.219. MAIL ORDER REQUIREMENT FOR PRESCRIPTION DRUG COVERAGE PROHIBITED. The board of trustees or a health benefit plan under this chapter that provides benefits for prescription drugs may not require a participant in the group benefits program to purchase a prescription drug through a mail order program. The board or health benefit plan shall require that a participant who chooses to obtain a prescription drug through a retail pharmacy or other method other than by mail order pay a deductible, copayment, coinsurance, or other cost-sharing obligation to cover the additional cost of obtaining a prescription drug through that method rather than by mail order.

Amendment No. 1 was adopted without objection.

Amendment No. 2

Representative McClendon offered the following amendment to **SB 1173**:

Amend **SB 1173** by inserting the following appropriately numbered SECTIONS and renumbering the SECTIONS of the bill appropriately:

SECTION ____. Section 1551.205, Insurance Code, as effective June 1, 2003, is amended to read as follows:

Sec. 1551.205. LIMITATIONS. The board of trustees may not contract for or provide a coverage plan that:

(1) excludes or limits coverage or services for acquired immune deficiency syndrome, as defined by the Centers for Disease Control and Prevention of the United States Public Health Service, or human immunodeficiency virus infection; ~~or~~

(2) provides coverage for serious mental illness that is less extensive than the coverage provided for any physical illness; or

(3) provides coverage for prescription drugs to assist in stopping smoking at a lower benefit level than is provided for other prescription drugs.

SECTION ____. Section 1551.205(3), Insurance Code, as added by this Act applies only to coverage contracted for or provided by the board of trustees established under Chapter 815, Government Code, to administer the Employees Retirement System of Texas on or after September 1, 2004. Coverage contracted for or provided by the board of trustees before September 1, 2004, is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

Amendment No. 2 was withdrawn.

Amendment No. 3

Representative McClendon offered the following amendment to **SB 1173**:

Amend **SB 1173** by inserting the following appropriately numbered SECTIONS and renumbering the SECTIONS of the bill appropriately:

SECTION ____. Section 1551.205, Insurance Code, as effective June 1, 2003, is amended to read as follows:

Sec. 1551.205. LIMITATIONS. The board of trustees may not contract for or provide a coverage plan that:

(1) excludes or limits coverage or services for acquired immune deficiency syndrome, as defined by the Centers for Disease Control and Prevention of the United States Public Health Service, or human immunodeficiency virus infection; ~~or~~

(2) provides coverage for serious mental illness that is less extensive than the coverage provided for any physical illness; or may

(3) provides coverage for prescription drugs to assist in stopping smoking at a lower benefit level than is provided for other prescription drugs.

SECTION ____. Section 1551.205(3), Insurance Code, as added by this Act applies only to coverage contracted for or provided by the board of trustees established under Chapter 815, Government Code, to administer the Employees Retirement System of Texas on or after September 1, 2004. Coverage contracted

for or provided by the board of trustees before September 1, 2004, is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

Amendment No. 3 was adopted without objection.

SB 1173, as amended, was passed to third reading.

SB 1229 ON SECOND READING
(Dukes - House Sponsor)

SB 1229, A bill to be entitled An Act relating to competitive purchasing procedures for certain counties.

SB 1229 - LAID ON THE TABLE SUBJECT TO CALL

Representative Dukes moved to lay **SB 1229** on the table subject to call.

The motion prevailed without objection.

CSSB 593 ON SECOND READING
(Villarreal - House Sponsor)

CSSB 593, A bill to be entitled An Act relating to the membership of the Board of Protective and Regulatory Services.

(Speaker in the chair)

CSSB 593 failed to pass to third reading.

SB 600 ON SECOND READING
(Talton - House Sponsor)

SB 600, A bill to be entitled An Act relating to the reimbursement of compensation and expenses of certain appointed counsel filing an application for a writ of habeas corpus in a capital case.

Amendment No. 1

Representatives Keel, Hodge, and Talton offered the following amendment to **SB 600**:

Amend **SB 600** (house committee printing) by adding an appropriately numbered SECTION to read as follows and by renumbering existing SECTIONS accordingly:

SECTION _____. (a) Sections 2(c) and (d), Article 11.071, Code of Criminal Procedure, are amended to read as follows:

(c) At the earliest practical time, but in no event later than 30 days, after the convicting court makes the findings required under Subsections (a) and (b), the convicting court shall appoint competent counsel that meets the requirements of Subsection (d)(2), unless the applicant elects to proceed or is represented by retained counsel. The convicting court may also appoint an attorney to assist an attorney appointed as lead counsel in the case. The assisting attorney is required to meet the requirements of Subsections (d)(2)(A) and (F) but is not required to meet the requirements of Subsections (d)(2)(B)-(E). On appointing counsel

under this section, the convicting court shall immediately notify the court of criminal appeals of the appointment, including in the notice a copy of the judgment and the name, address, and telephone number of the appointed counsel.

(d)(1) The Task Force on Indigent Defense [court of criminal appeals] shall adopt standards [rules] for the appointment of attorneys as counsel under this section [and the convicting court may appoint an attorney as counsel under this section only if the appointment is approved by the court of criminal appeals in any manner provided by those rules].

(2) The standards must require that an attorney appointed as lead counsel under this section:

(A) be a member of the State Bar of Texas;

(B) exhibit proficiency and commitment to providing quality representation to defendants or applicants seeking relief in death penalty cases;

(C) have at least five years of experience in criminal trial litigation, appellate practice, or habeas corpus practice;

(D) have, in the three years preceding the appointment, appeared in federal or state court as counsel in at least three trial, appellate, or habeas corpus proceedings for offenses punished as felonies of the first degree or capital felonies;

(E) have, in the year preceding the appointment, participated in continuing legal education courses or other training relating to criminal defense or habeas corpus proceedings in death penalty cases; and

(F) not have been found by a federal or state court to have rendered ineffective assistance of counsel during the trial or appeal of any felony case.

(3) The Task Force on Indigent Defense may maintain a list of attorneys qualified for appointment under this section and make that list available to a convicting court for the purpose of assisting that court with the appointment of qualified counsel under this section.

(4) The convicting court may not appoint an attorney as counsel under this section if the attorney represented the applicant at trial or on direct appeal, unless:

(A) the applicant and the attorney request the appointment on the record; and

(B) the court finds good cause to make the appointment.

(b) Section 71.060(c), Government Code, is amended to read as follows:

(c) Any qualification standards adopted by the Task Force on Indigent Defense under Subsection (a) that relate to the appointment of counsel in a death penalty case must be consistent with the standards specified under Section 2, Article 11.071, or Article 26.052(d), Code of Criminal Procedure, as appropriate. An attorney who is identified by the task force as not satisfying performance or qualification standards adopted by the task force under Subsection (a) may not accept an appointment in a capital case.

(c) The Task Force on Indigent Defense shall adopt standards described by Section 2(d), Article 11.071, Code of Criminal Procedure, as amended by this section, not later than February 1, 2004.

(d) A convicting court that appoints counsel under Section 2, Article 11.071, Code of Criminal Procedure, on or after the 15th day after the day on which the Task Force on Indigent Defense adopts standards described by Section 2(d), Article 11.071, Code of Criminal Procedure, as amended by this section, shall appoint the counsel in conformity with this section. Counsel appointed under Section 2, Article 11.071, Code of Criminal Procedure, before the 15th day after the date the standards are adopted must be appointed in conformity with Section 2, Article 11.071, Code of Criminal Procedure, as that section existed immediately before the effective date of this section, and the former law is continued in effect for that purpose.

Amendment No. 1 was adopted without objection.

SB 600, as amended, was passed to third reading.

SB 1116 ON SECOND READING
(Wilson - House Sponsor)

SB 1116, A bill to be entitled An Act relating to the criminal and civil consequences of conduct involving the theft of or tampering with certain communication or information services.

SB 1116 - POINT OF ORDER

Representative Haggerty raised a point of order against further consideration of **SB 1116** under Rule 4, Section 32(c) of the House Rules on the grounds that the bill analysis is misleading.

(Speaker in the chair)

The speaker sustained the point of order.

The ruling precluded further consideration of **SB 1116**.

SB 1131 ON SECOND READING
(Capelo, Truitt, Zedler, and McReynolds - House Sponsors)

SB 1131, A bill to be entitled An Act relating to funding of certain emergency medical services, trauma facilities, and trauma care systems.

Representative Capelo moved to postpone consideration of **SB 1131** until 8:30 a.m. tomorrow.

The motion prevailed without objection.

SB 1054 ON SECOND READING
(Peña - House Sponsor)

SB 1054, A bill to be entitled An Act relating to presentence investigation and postsentence treatment and supervision of certain sex offenders.

Amendment No. 1

Representative Farrar offered the following amendment to **SB 1054**:

Amend **SB 1054** (house committee report) as follows:

(1) In SECTION 6 of the bill (page 4, line 3), strike "The" and substitute "Except as provided by Section _____ of this Act, the".

(2) Add the following appropriately numbered SECTIONS to the bill and renumber existing SECTIONS of the bill accordingly:

SECTION _____. Subsection (a), Section 13B, Article 42.12, Code of Criminal Procedure, is amended to read as follows:

(a) If a judge grants community supervision to a defendant described by Subsection (b) and the judge determines that a child as defined by Section 22.011(c), Penal Code, was the victim of the offense, the judge shall establish a child safety zone applicable to the defendant by requiring as a condition of community supervision that the defendant:

(1) not:

(A) supervise or participate in any program that includes as participants or recipients persons who are 17 years of age or younger and that regularly provides athletic, civic, or cultural activities; or

(B) go in, on, or within 1,000 feet [~~a distance specified by the judge~~] of a premises where children commonly gather, including a school, day-care facility, playground, public or private youth center, public swimming pool, or video arcade facility; and

(2) attend psychological counseling sessions for sex offenders with an individual or organization which provides sex offender treatment or counseling as specified by or approved by the judge or the community supervision and corrections department officer supervising the defendant.

SECTION _____. Section 13B, Article 42.12, Code of Criminal Procedure, is amended by adding Subsection (i) to read as follows:

(i) Notwithstanding Subsection (a)(1)(B), a requirement that a defendant not go in, on, or within 1,000 feet of certain premises does not apply to a defendant while the defendant is in or going immediately to or from a:

(1) community supervision and corrections department office;

(2) premises at which the defendant is participating in a program or activity required as a condition of community supervision;

(3) residential facility in which the defendant is required to reside as a condition of community supervision, if the facility was in operation as a residence for defendants on community supervision on June 1, 2003; or

(4) private residence at which the defendant is required to reside as a condition of community supervision.

SECTION _____. (a) Except as provided by Subsection (b) of this section, the change in law made by this Act in amending Section 13B, Article 42.12, Code of Criminal Procedure, applies only to a person placed on community supervision on or after the effective date of this Act.

(b) On or after the effective date of this Act, a court may modify a condition of community supervision to require that a person who before that date was placed on community supervision maintain a distance of 1,000 feet from a premises where children commonly gather.

Amendment No. 1 was adopted without objection.

SB 1054, as amended, was passed to third reading.

SB 1303 ON SECOND READING
(Chisum and Farabee - House Sponsors)

SB 1303, A bill to be entitled An Act relating to certain employment matters affecting a county auditor, assistant auditor, or court reporter.

Amendment No. 1 (Committee Amendment No. 1)

On behalf of Representative Casteel, Representative Chisum offered the following committee amendment to **SB 1303**:

SB 1303 is amended in Section 2 of the bill by striking the present language in newly created Subsection 152.032(d) Local Government Code and substituting the following:

(d) Except as provided by Subsection (b), in a county with a population of 500,000 or more, the amount of the compensation and allowances of a county auditor may be set in an amount that exceeds the limit established in Subsection (a) if the compensation and allowances are approved by the commissioners court of the county.

Amendment No. 1 was adopted without objection.

SB 1303, as amended, was passed to third reading.

SB 1366 ON SECOND READING
(Eissler and Swinford - House Sponsors)

SB 1366, A bill to be entitled An Act relating to eligibility under the Early High School Graduation Scholarship program.

SB 1366 was passed to third reading.

SB 1442 ON SECOND READING
(Keel - House Sponsor)

SB 1442, A bill to be entitled An Act relating to participation in, contributions to, and benefits and administration of retirement systems for police officers in certain municipalities.

SB 1442 was passed to third reading.

LEAVE OF ABSENCE GRANTED

The following member was granted leave of absence for the remainder of today because of illness:

Woolley on motion of Hamric.

SB 970 ON SECOND READING
(Puente - House Sponsor)

SB 970, A bill to be entitled An Act relating to the sale or transport of certain desert plants; providing a penalty.

Amendment No. 1

Representative Miller offered the following amendment to **SB 970**:

Amend **SB 970** in Section 1 of the bill, in added Chapter 122, Agriculture Code (House committee printing, page 1, between lines 18 and 19) by inserting the following:

Sec. 122.0011. APPLICABILITY. This chapter applies only to a county with a population of at least 600,000 and less than 800,000.

Amendment No. 1 was withdrawn.

Representative Puente moved to postpone consideration of **SB 970** until 11 p.m. today.

The motion prevailed without objection.

SB 1477 ON SECOND READING
(Talton and Hodge - House Sponsors)

SB 1477, A bill to be entitled An Act relating to restrictions on the disclosure of certain criminal records and to the duty of law enforcement agencies regarding records associated with certain defendants receiving deferred adjudication; providing a civil penalty.

SB 1477 was passed to third reading. (Gattis and Phillips recorded voting no)

POSTPONED BUSINESS

The following bills were laid before the house as postponed business:

CSSB 1678 ON SECOND READING
(Allen - House Sponsor)

CSSB 1678, A bill to be entitled An Act relating to the organization and duties of the Board of Pardons and Paroles.

CSSB 1678 was read second time earlier today, failed to pass to third reading, was reconsidered, and was postponed until 10 p.m. today.

Representative Allen moved to postpone consideration of **CSSB 1678** until 10 a.m. tomorrow.

The motion prevailed without objection.

MAJOR STATE CALENDAR
(consideration continued)

CSSB 1597 ON SECOND READING
(Thompson and Dutton - House Sponsors)

CSSB 1597, A bill to be entitled An Act relating to policies by law enforcement agencies regarding the arrest of persons for certain offenses.

Amendment No. 1

Representative McClendon offered the following amendment to **CSSB 1597**:

Amend **CSSB 1597** by adding the following appropriately numbered SECTION to the bill and by renumbering existing SECTIONS of the bill accordingly:

SECTION _____. Article 17.29, Code of Criminal Procedure, is amended by amending Subsection (a) and adding Subsection (e) to read as follows:

(a) When the accused has given the required bond, either to the magistrate or the officer having him in custody, he shall at once be set at liberty, except as provided by this article.

(e) Before releasing on bail a person arrested for an offense under Chapter 49, Penal Code, the law enforcement agency holding the person shall make a determination that the person is no longer intoxicated as defined by Section 49.01, Penal Code.

Amendment No. 1 was adopted without objection.

CSSB 1597, as amended, was passed to third reading. (Gattis recorded voting no)

SB 1715 ON SECOND READING (Mercer - House Sponsor)

SB 1715, A bill to be entitled An Act relating to lighting equipment requirements for vehicles.

Amendment No. 1 (Committee Amendment No. 1)

On behalf of Representative Phillips, Representative Mercer offered the following committee amendment to **SB 1715**:

Amend **SB 1715** by Wentworth to read as follows:

(1) On page 2, Line 4, strike Section 3. Subchapter E, Chapter 547, Transportation Code

Amendment No. 1 was adopted without objection.

Amendment No. 2

Representatives Phillips, Edwards, and Garza offered the following amendment to **SB 1715**:

Amend **SB 1715** by inserting the following appropriately numbered SECTIONS and renumbering SECTIONS appropriately:

SECTION ___. Subtitle A, Title 7, Transportation Code, is amended by adding Chapter 504 to read as follows:

CHAPTER 504. SPECIALTY LICENSE PLATES SUBCHAPTER A. GENERAL PROVISIONS

Sec. 504.001. DEFINITIONS. (a) In this chapter, "commission" and "director" have the meanings assigned by Section 201.001.

(b) A word or phrase that is not defined by this chapter but is defined by Section 502.001 has the meaning in this chapter that is assigned by that section.

Sec. 504.002. PROVISIONS OF GENERAL APPLICABILITY. Unless expressly provided by this chapter or by department rule:

(1) any vehicle is eligible to be issued specialty license plates, provided that the department may vary the design of a license plate to accommodate or reflect its use on a motor vehicle other than a passenger car or light truck;

(2) an application for specialty license plates must be submitted in the manner specified by the department, provided that if issuance of a specialty license plate is limited to particular persons or motor vehicles, the application must be accompanied by evidence satisfactory to the department that the applicant or the applicant's vehicle is eligible;

(3) the fee for issuance of a specialty license plate is in addition to each other fee that is paid for or at the time of the registration of the motor vehicle and shall be deposited to the credit of state highway fund;

(4) each fee described by this chapter is an annual fee, provided that the department may prorate the fee for a specialty license plate fee on a monthly basis to align the license plate fee to the registration period for the motor vehicle for which the license plate was issued, and if a fee is prorated, the allocation of the fee by this chapter to an account or fund shall be prorated in proportion;

(5) the department is the exclusive owner of the design of each specialty license plate;

(6) the director may refuse to issue a specialty license plate with a design or alphanumeric pattern that the director considers potentially objectionable to one or more members of the public and the director's refusal may not be overturned in the absence of an abuse of discretion;

(7) for each specialty license plate that is issued through a county tax assessor-collector and for which the department is allocated a portion of a fee for administrative costs, the department shall credit 50 cents from its administrative costs to the county treasurer of the applicable county, who shall credit the money to the general fund of the county to defray the costs to the county of administering this chapter;

(8) if a specialty license plate is lost, stolen, or mutilated, an application for a replacement plate must be accompanied by the fee prescribed by Section 502.184(a)(2);

(9) if the owner of a motor vehicle for which a specialty license plate is issued disposes of the vehicle or for any reason ceases to be eligible for that specialty license plate, the owner shall return the specialty license plate to the department; and

(10) a person who is issued a specialty license plate may not transfer it to another person or vehicle without first receiving approval from the department.

Sec. 504.003. SOUVENIR LICENSE PLATES. (a) The department may issue a souvenir version of any specialty license plate for any vehicle, including a motorcycle.

(b) The fee for a single souvenir license plate is \$20. The fee shall be deposited to the credit of the state highway fund.

(c) If the souvenir license plate is personalized, the fee for the plate is \$40. Of the fee:

(1) \$20 shall be deposited to the credit of the state highway fund; and

(2) the remainder shall be deposited to the credit of the general revenue fund.

(d) A souvenir license plate may not be used on a motor vehicle, including a motorcycle, and is not an insignia of registration for a motor vehicle. Each souvenir license plate must be identified by the department in a way that identifies it to law enforcement officers and others as a souvenir license plate.

Sec. 504.004. RULES AND FORMS. The commission may adopt rules and the department may issue forms to implement and administer this chapter.

[Sections 504.005-504.100 reserved for expansion]

SUBCHAPTER B. PERSONALIZED LICENSE PLATES

Sec. 504.101. PERSONALIZED LICENSE PLATES. (a) The department shall issue personalized license plates. The department may not issue more than one set of license plates with the same alphanumeric pattern.

(b) A personalized license plate may be issued for a registration period only if the applicant submits an application and pays the required fee for the applicable registration period. A person who is issued a personalized license plate has first priority on that license plate for each subsequent registration period for which the person submits a new application for that plate.

(c) The fee for issuance of a personalized license plate is \$40.

(d) The department may not issue a replacement set of personalized license plates to the same person before the sixth anniversary of the date of issuance unless the applicant for issuance of replacement plates pays an additional fee of \$30.

(e) Of each fee collected by the department under this section:

(1) \$1.25 shall be used to defray the cost of administering this section;

and

(2) the remainder shall be deposited to the credit of the general revenue fund.

Sec. 504.102. PERSONALIZATION OF OTHER SPECIALTY LICENSE PLATES. Unless expressly prohibited by this chapter or department rule, any specialty license plate issued under this chapter may be personalized. If another specialty license plate is personalized, the fee established by Section 504.101(c) shall be added to the fee for issuance of that specialty license plate.

Sec. 504.103. DESIGN AND ALPHANUMERIC PATTERN. The department has sole control over the design, typeface, color, and alphanumeric pattern for a personalized license plate.

[Sections 504.104-504.200 reserved for expansion]

SUBCHAPTER C. LICENSE PLATES FOR VEHICLES USED BY PERSONS WITH DISABILITIES

Sec. 504.201. PERSONS WITH DISABILITIES. (a) In this section:

(1) "Disability" and "mobility problem that substantially impairs a person's ability to ambulate" have the meanings assigned by Section 681.001.

(2) "Legally blind" means a condition described by Section 681.001(2)(B) or (C).

(b) The department shall issue specialty license plates for a motor vehicle that:

(1) has a manufacturer's rated carrying capacity of two tons or less; and
(2) is regularly operated for noncommercial use by or for the transportation of a person with a permanent disability.

(c) An owner of a motor vehicle regularly operated by or for the transportation of a person described by Subsection (a) may apply to the department for registration under this section.

(d) The initial application for specialty license plates under this section must be accompanied by a written statement from a physician who is licensed to practice medicine in this state or in a state adjacent to this state or who is authorized by applicable law to practice medicine in a hospital or other health facility of the Department of Veterans Affairs. If the applicant has a mobility problem caused by a disorder of the foot, the written statement may be issued by a person licensed to practice podiatry in this state or a state adjacent to this state. In this subsection, "podiatry" has the meaning assigned by Section 681.001. The statement must certify that the person making the application or on whose behalf the application is made is legally blind or has a mobility problem that substantially impairs the person's ability to ambulate. The statement must also certify whether a mobility problem is temporary or permanent. A written statement is not required as acceptable medical proof if:

(1) the person with a disability:

(A) has had a limb, hand, or foot amputated; or

(B) must use a wheelchair; and

(2) the applicant and the county assessor-collector processing the application execute an affidavit attesting to the person's disability.

(e) A person with a disability may receive:

(1) one disabled parking placard under Section 681.002 if the person receives a set of license plates under this section; or

(2) two disabled parking placards under Section 681.002 if the person does not receive a set of license plates under this section.

(f) A license plate issued under this section must include the symbol of access adopted by Rehabilitation International in 1969 at its Eleventh World Congress on Rehabilitation of the Disabled. The symbol must be the same size as the numbers on the license plate.

(g) In addition to a license plate issued under this section, an eligible person is entitled to be issued a set of the license plates for each motor vehicle owned by the person that has a carrying capacity of two tons or less and is equipped with special equipment that:

(1) is designed to allow a person who has lost the use of one or both of the person's legs to operate the vehicle; and

(2) is not standard equipment on that type of vehicle for use by a person who has use of both legs.

Sec. 504.202. VETERANS WITH DISABILITIES. (a) A person entitled to specialty license plates under this section may register, for the person's own use, one vehicle without payment of any fee paid for or at the time of registration except the fee for the license plates. Registration under this section is valid for one year.

(b) The department shall issue a specialty license plate for a motor vehicle that has a manufacturer's rated carrying capacity of two tons or less and that is owned by a veteran of the United States armed forces. A veteran is entitled to register, for the person's own use, two motor vehicles under this section if the person:

(1) has suffered, as a result of military service:

(A) at least a 50 percent service-connected disability; or

(B) a 40 percent service-connected disability because of the amputation of a lower extremity; and

(2) receives compensation from the United States because of the disability.

(c) An organization may register a motor vehicle under this section if:

(1) the vehicle is used exclusively to transport veterans of the United States armed forces who have suffered, as a result of military service, a service-connected disability; and

(2) the veterans are not charged for the transportation.

(d) A statement by the veterans county service officer of the county in which a vehicle described by Subsection (b) is registered or by the Department of Veterans Affairs that a vehicle is used exclusively to transport veterans with disabilities without charge is satisfactory proof of eligibility for an organization.

(e) License plates issued under this section must include:

(1) the letters "DV" as a prefix or suffix to any numeral on the plate;

and

(2) the words "Disabled Veteran and "U.S. Armed Forces" at the bottom of each license plate.

(f) The fee for the first set of license plates is \$3. The fee for each additional set of license plates is \$15. If a license plate is lost, stolen, or mutilated, on payment of a \$1 fee, the department shall issue a set of replacement plates.

Sec. 504.203. ISSUANCE OF DISABLED LICENSE PLATES TO CERTAIN INSTITUTIONS. (a) The department shall issue specialty license plates under this subchapter for a van or bus operated by an institution, facility, or residential retirement community for the elderly or for veterans in which an eligible person resides, including:

(1) an institution that holds a license issued under Chapter 242, Health and Safety Code; or

(2) a facility that holds a license issued under Chapter 246 or 247 of that code.

(b) An application for license plates under this section must be accompanied by a written statement signed by the administrator or manager of the institution, facility, or retirement community certifying that the institution, facility, or retirement community regularly transports, as a part of the services that the institution, facility, or retirement community provides, one or more eligible persons who reside in the institution, facility, or retirement community. The department shall determine the eligibility of the institution, facility, or retirement community on the evidence the applicant provides.

(c) The application and eligibility requirements for a license plate under this section are the same as those provided by Sections 504.201 and 504.202, as applicable.

[Sections 504.204-504.300 reserved for expansion]

SUBCHAPTER D. SPECIALTY LICENSE PLATES FOR THE MILITARY

Sec. 504.301. PROVISIONS GENERALLY APPLICABLE TO MILITARY SPECIALTY LICENSE PLATES. Unless expressly provided by this subchapter or department rule:

(1) the department shall design specialty license plates for the military;
and

(2) a person is not eligible to be issued a specialty license plate under this subchapter if the person was discharged from the armed forces under conditions less than honorable.

Sec. 504.302. SURVIVING SPOUSES OF CERTAIN MILITARY VETERANS. (a) The surviving spouse of a person who would be eligible for a specialty license plate under this subchapter is entitled to continue to register one vehicle under the applicable section as long as the spouse remains unmarried.

(b) An applicant for registration under this section must submit proof of the eligibility of the applicant's deceased spouse for the applicable specialty license plate.

(c) A surviving spouse applying for specialty license plates under this section must submit a written statement that the spouse is unmarried. If the surviving spouse is applying for Former Prisoner of War, Pearl Harbor Survivor, or Purple Heart specialty license plates, the statement must be sworn to by the surviving spouse.

Sec. 504.303. MEMBERS OR FORMER MEMBERS OF UNITED STATES ARMED FORCES. (a) The department shall issue specialty license plates for active or former members of the United States armed forces. The license plates must designate the appropriate branch of the United States armed forces.

(b) The fee for issuance of the license plates is:

(1) \$10 for the first set of license plates; and

(2) \$15 for each additional set of license plates.

Sec. 504.304. MEMBERS OF UNITED STATES ARMED FORCES AUXILIARIES. (a) The department shall issue specialty license plates for members of:

(1) the United States Air Force Auxiliary, Civil Air Patrol;

(2) the United States Coast Guard Auxiliary; and

(3) the Marine Corps League or its auxiliary.

(b) The license plates must include the words "Texas Wing Civil Air Patrol," the words "Coast Guard Auxiliary," or the emblem of the Marine Corps League and the words "Marine Corps League," as applicable.

(c) The fee for issuance of the license plates is:

(1) \$10 for the first set of license plates; and

(2) \$15 for each additional set of license plates.

Sec. 504.305. MEMBERS OF TEXAS NATIONAL GUARD, STATE GUARD, OR UNITED STATES ARMED FORCES RESERVES. (a) The department shall issue without charge specialty license plates for:

- (1) active members of the Texas National Guard or Texas State Guard;
- (2) retired members of the Texas National Guard or Texas State Guard who have completed 20 or more years of satisfactory federal service; and
- (3) members of a reserve component of the United States armed forces.

(b) The department shall design the license plates in consultation with the adjutant general. The license plates must include the words "Texas Guard" or "Armed Forces Reserve," as applicable.

(c) A letter from the United States Department of Defense, the Department of the Army, or the Department of the Air Force stating that a retired guard member has 20 or more years of satisfactory federal service is satisfactory proof of eligibility.

Sec. 504.306. PERSONS RETIRED FROM SERVICE IN MERCHANT MARINE OF THE UNITED STATES. (a) The department shall issue specialty license plates for persons retired from service in the merchant marine of the United States. The license plates must include the words "Merchant Marine." A person may be issued only one set of license plates under this section.

(b) The fee for issuance of the license plates is \$10.

Sec. 504.307. AIRBORNE PARACHUTISTS. (a) The department shall issue specialty license plates for persons active and former members of the United States armed services who have:

(1) satisfactorily completed the prescribed proficiency tests while assigned or attached to an airborne unit or the Airborne Department of the United States Army Infantry School; or

(2) participated in at least one combat parachute jump.

(b) The license plates must include a likeness of the parachutist badge authorized by the Department of the Army.

(c) The fee for issuance of the license plates is:

(1) \$10 for the first set of license plates; and

(2) \$15 for each additional set of license plates.

Sec. 504.308. DISTINGUISHED FLYING CROSS MEDAL RECIPIENTS. (a) The department shall issue specialty license plates for persons who have received the Distinguished Flying Cross Medal. The license plates must bear a depiction of the Distinguished Flying Cross medal and the words "Distinguished Flying Cross" at the bottom of each license plate.

(b) The fee for issuance of the license plates is \$3.

Sec. 504.309. MILITARY ACADEMY LICENSE PLATES. The department shall issue without charge specialty license plates for persons who:

(1) are graduates of the United States Military Academy, the United States Naval Academy, or the United States Air Force Academy; and

(2) are current or former commissioned officers of the United States armed forces.

Sec. 504.310. WORLD WAR II VETERANS. The department shall issue without charge specialty license plates for persons who served in the United States or Allied armed forces during World War II. The license plates must include the words "WWII Veteran."

Sec. 504.311. KOREAN WAR VETERANS. The department shall issue without charge specialty license plates for persons who served in the United States armed forces after June 26, 1950, and before February 1, 1955. License plates issued under this section must include the words "Korea Veteran."

Sec. 504.312. VIETNAM VETERANS. (a) The department shall issue without charge specialty license plates for persons who served in the United States armed forces during:

(1) the period beginning on February 28, 1961, and ending on May 7, 1975, in the case of a veteran who served in the Republic of Vietnam during that period; or

(2) the period beginning on August 5, 1964, and ending on May 7, 1975, in all other cases.

(b) License plates issued under this section must include the words "Vietnam Veteran."

Sec. 504.313. DESERT SHIELD OR DESERT STORM VETERANS. The department shall issue without charge specialty license plates for persons who served in the United States armed forces after August 1, 1990, and before April 12, 1991. License plates issued under this section must include the words "Desert Storm."

Sec. 504.314. ENDURING FREEDOM VETERANS. The department shall issue without charge specialty license plates for persons who served in the United States armed services and participated in Operation Enduring Freedom. The license plates must include the words "Enduring Freedom."

Sec. 504.315. MILITARY SPECIALTY LICENSE PLATES FOR EXTRAORDINARY SERVICE. (a) A person entitled to specialty license plates under this section may register, for the person's own use, one vehicle without payment of any fee paid for or at the time of registration except the fee for the license plates. Registration is valid for one year and may be renewed without charge.

(b) The fee for issuance of the license plates is:

(1) \$3 for the first set of license plates; and

(2) \$15 for each additional set of license plates.

(c) The department shall issue specialty license plates for a person who was captured and incarcerated by an enemy of the United States during a period of conflict with the United States. The license plates must show that the recipient is a former prisoner of war.

(d) The department shall issue specialty license plates for survivors of the attack on Pearl Harbor on December 7, 1941. The license plates must include the words "Pearl Harbor Survivor" and must be consecutively numbered. A person is eligible if the person:

(1) served in the United States armed forces;

(2) was stationed in the Hawaiian Islands on December 7, 1941; and

(3) survived the attack on Pearl Harbor on December 7, 1941.

(e) The department shall issue specialty license plates to a recipient of a Congressional Medal of Honor awarded under Title 10, United States Code. The department shall assign the license plate number, and the plates may not be personalized.

(f) The department shall issue specialty license plates for recipients of the Air Force Cross or Distinguished Service Cross, the Army Distinguished Service Cross, the Navy Cross, or the Medal of Honor. The license plates must include the words "Legion of Valor."

(g) The department shall issue specialty license plates for recipients of the Purple Heart. License plates issued under this section must include:

(1) the Purple Heart emblem;

(2) the words "Purple Heart" at the bottom of each plate; and

(3) the letters "PH" as a prefix or suffix to the numerals on the plate if the plate is not personalized.

Sec. 504.316. OPERATION IRAQI FREEDOM. The department shall issue without charge specialty license plates for persons who served in the United States armed forces on or after November, 8, 2002, and on or before May 1, 2003. License plates issued under this section must include the words "Operation Iraqi Freedom."

[Sections 504.317-504.400 reserved for expansion]

SUBCHAPTER E. SPECIALTY LICENSE PLATES WITH
RESTRICTED DISTRIBUTION

Sec. 504.401. STATE OFFICIALS. (a) The department shall issue without charge specialty license plates to a state official. The license plates must include the words "State Official."

(b) A state official may be issued three sets of license plates under this section.

(c) The license plates remain valid until December 31 of each year.

(d) In this section, "state official" means:

(1) a member of the legislature;

(2) the governor;

(3) the lieutenant governor;

(4) a justice of the supreme court;

(5) a judge of the court of criminal court;

(6) the attorney general;

(7) the commissioner of the General Land Office;

(8) the comptroller;

(9) a member of the Railroad Commission of Texas;

(10) the commissioner of agriculture;

(11) the secretary of state, or

(12) a member of the State Board of Education.

Sec. 504.402. MEMBERS OF CONGRESS. (a) The department shall issue without charge specialty license plates for members of congress. License plates issued under this section must include the words "U.S. Congress."

(b) A person may be issued three sets of license plates under this section.

(c) The license plates remain valid until December 31 of each year.

Sec. 504.403. STATE AND FEDERAL JUDGES. (a) The department shall issue without charge specialty license plates for a current, or visiting state or federal judge. The license plates must include the words "State Judge" or "U.S. Judge," as appropriate.

(b) A person may be issued three sets of license plates under this section.

(c) The license plates remain valid until December 31 of each year.

(d) In this section:

(1) "Federal judge" means:

(A) a judge of the Fifth Circuit Court of Appeals;

(B) a judge or magistrate of a United States district court; or

(C) a judge of a United States bankruptcy court.

(2) "State judge" means:

(A) a justice of the supreme court;

(B) a judge of the court of criminal appeals;

(C) a judge of a court of appeals;

(D) a district court judge;

(E) a presiding judge of an administrative judicial district; or

(F) a statutory county court judge;

Sec. 504.404. FEDERAL ADMINISTRATIVE LAW JUDGES. (a) The department shall issue without charge specialty license plates for current federal administrative law judges. The license plates shall bear the words "U.S. A.L. Judge."

(b) A person may be issued three sets of license plates under this section.

Sec. 504.405. COUNTY JUDGES. (a) The department shall issue without charge specialty license plates for current county judges of this state. The license plates shall bear the words "County Judge."

(b) A person may be issued three sets of license plates under this section.

(c) In this section, "county judge" means the judge of the county court established by Section 15, Article V, Texas Constitution.

Sec. 504.406. TEXAS CONSTABLES. The department shall issue without charge specialty license plates for Texas constables. The license plates shall bear the words "Texas Constable."

Sec. 504.407. PEACE OFFICERS WOUNDED OR KILLED IN LINE OF DUTY. (a) The department shall issue specialty license plates for:

(1) a person wounded in the line of duty as a peace officer; or

(2) a surviving spouse, parent, brother, sister, or adult child, including an adopted child or stepchild, of a person killed in the line of duty as a peace officer.

(b) License plates issued under this section must include the words "To Protect and Serve" above an insignia depicting a yellow rose superimposed over the outline of a badge.

(c) The fee for issuance of the license plates is \$20.

(d) In this section, "peace officer" has the meaning assigned by Section 1.07, Penal Code.

Sec. 504.408. GOLD STAR MOTHERS. (a) The department shall issue specialty license plates for the mother of a person who died while serving in the United States armed forces. License plates issued under this section must include the words "Gold Star Mother" and a gold star. A person may not be issued more than one set of the license plates at a time.

(b) The fee for issuance of the license plates is \$10.

Sec. 504.409. VOLUNTEER FIREFIGHTERS. (a) The department shall issue specialty license plates for volunteer firefighters certified by:

(1) the Texas Commission on Fire Protection; or

(2) the State Firemen's and Fire Marshals' Association of Texas.

(b) The fee for issuance of the license plates is \$4.

(c) A person may be issued only one set of the license plates.

Sec. 504.410. EMERGENCY MEDICAL SERVICES PERSONNEL. The department shall issue specialty license plates for emergency medical services personnel certified by the Texas Department of health under Subchapter C, Chapter 773, Health and Safety Code.

(b) The fee for issuance of the license plates is \$8.

(c) A person may be issued only one set of the license plates.

Sec. 504.411. HONORARY CONSULS. (a) The department shall issue specialty license plates for a person who is an honorary consul authorized by the United States to perform consular duties. License plates issued under this section must include the words "Honorary Consul."

(b) The fee for issuance of the license plates is \$40.

Sec. 504.412. FOREIGN ORGANIZATION VEHICLES. (a) The department shall issue specialty license plates for an instrumentality established by a foreign government recognized by the United States before January 1, 1979, that is without official representation or diplomatic relations with the United States. The license plates must include the words "Foreign Organization" and shall remain valid for five years.

(b) A person entitled to specialty license plates under this section may register the vehicle without payment of any fee paid for or at the time of registration.

Sec. 504.413. MEMBERS OF AMERICAN LEGION. (a) The department shall issue specialty license plates for members of the American Legion. The license plates shall include the words "Still Serving America" and the emblem of the American Legion. The department shall design the license plates in consultation with the American Legion.

(b) The fee for the license plates is \$30.

(c) After deduction of \$8 to reimburse the department for its administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the American Legion, Department of Texas account in the state treasury. Money in the account may be used only by the Texas Veterans Commission in making grants to the American Legion Endowment Fund for scholarships and youth programs sponsored by the American Legion, Department of Texas.

[Sections 504.414-504.500 reserved for expansion]
SUBCHAPTER F. SPECIALTY LICENSE PLATES FOR CERTAIN
VEHICLES

Sec. 504.501. CLASSIC MOTOR VEHICLES. (a) The department shall issue specialty license plates for a motor vehicle that is at least 25 years old. The license plates must include the words "Classic Auto," "Classic Motorcycle," or "Classic Truck" or a similar designation, as appropriate.

(b) A person eligible for the license plates may instead use license plates that were issued by this state in the same year as the model year of the vehicle and are approved by the department. The department may require the attachment of a registration insignia to the license plate in a manner that does not affect the display of information originally on the license plate.

(c) The fee for issuance or approval of license plates under this section is \$15.

Sec. 504.502. CERTAIN EXHIBITION VEHICLES; OFFENSE. (a) The department shall issue specialty license plates for a passenger car, truck, motorcycle, or former military vehicle that:

(1) is at least 25 years old, if the vehicle is a passenger car, truck, or motorcycle;

(2) is a collector's item;

(3) is used exclusively for exhibitions, club activities, parades, and other functions of public interest and is not used for regular transportation; and

(4) does not carry advertising.

(b) The license plates must include the words "Antique Auto," "Antique Truck," "Antique Motorcycle," or "Military Vehicle," as appropriate.

(c) A person eligible for the license plates may instead use license plates issued by this state in the same year as the model year of the vehicle and approved by the department, provided that a passenger car must bear passenger car or truck license plates, and a truck must bear passenger car or truck license plates. The department may require attachment of a registration insignia to the license plate in a manner that does not affect the display of information originally on the license plate.

(d) License plates issued or approved under this section expire on the fifth anniversary of the date of issuance or approval.

(e) The fee for issuance or approval of license plates under this section is:

(1) \$10 for each year or portion of a year remaining in the five-year registration period if the vehicle was manufactured in 1921 or later; or

(2) \$8 for each year or portion of a year remaining in the five-year registration period if the vehicle was manufactured before 1921.

(f) The department may exempt a former military vehicle from the requirement to display a license plate or registration insignia if the exemption is necessary to maintain the vehicle's accurate military markings. The department may approve an alternative registration insignia that is compatible with the vehicle's original markings.

(g) A person entitled to specialty license plates or to department approval under this section may register the vehicle without payment of any fees paid for or at the time of registration except the fee for the license plate. An owner of a vehicle registered under this subsection who violates this section commits an offense. An offense under this section is a misdemeanor punishable by a fine of not less than \$5 or more than \$200.

(h) Notwithstanding any other provision of law, a vehicle issued license plates under Subsection (a) shall be required to attach and display only one license plate on the rear of the vehicle.

(i) In this section, "former military vehicle" means a vehicle, including a trailer, regardless of the vehicle's size, weight, or year of manufacture, that:

(1) was manufactured for use in any country's military forces; and

(2) is maintained to represent its military design and markings accurately.

Sec. 504.503. MUNICIPAL AND PRIVATE BUSES. (a) The department shall issue without charge specialty license plates for municipal buses and private buses. The license plates must include the words "City Bus" or "Private Bus," as appropriate.

(b) In this section, "private bus" means a bus that:

(1) is not operated for hire; and

(2) is not classified as a municipal bus or a motor bus.

Sec. 504.504. CERTAIN FARM VEHICLES AND DRILLING AND CONSTRUCTION EQUIPMENT. (a) The department shall issue specialty license plates to a vehicle described by Subsection (b) or (c). The fee for the license plates is \$5.

(b) An owner is not required to register a vehicle that is used only temporarily on the highways if the vehicle is:

(1) a farm trailer or farm semitrailer with a gross weight of more than 4,000 pounds but not more than 34,000 pounds that is used exclusively to transport:

(A) seasonally harvested agricultural products or livestock from the place of production to the place of processing, market, or storage; or

(B) farm supplies from the place of loading to the farm;

(2) machinery used exclusively for the purpose of drilling water wells;

or

(3) construction machinery that is not designed to transport persons or property on a public highway.

(c) An owner is not required to register a vehicle that is:

(1) a farm trailer or farm semitrailer owned by a cotton gin and used exclusively to transport agricultural products without charge from the place of production to the place of processing, market, or storage;

(2) a trailer used exclusively to transport fertilizer without charge from a place of supply or storage to a farm; or

(3) a trailer used exclusively to transport cottonseed without charge from a place of supply or storage to a farm or place of processing.

(d) A vehicle described by Subsection (b) is exempt from the inspection requirements of Subchapters B and F, Chapter 548.

(e) This section does not apply to a farm trailer or farm semitrailer that:

(1) is used for hire;

(2) has metal tires operating in contact with the highway;

(3) is not equipped with an adequate hitch pinned or locked so that it will remain securely engaged to the towing vehicle while in motion; or

(4) is not operated and equipped in compliance with all other law.

(f) A vehicle to which this section applies that is operated on a public highway in violation of this section is considered to be operated while unregistered and is immediately subject to the applicable registration fees and penalties prescribed by Chapter 502.

(g) In this section, the gross weight of a trailer or semitrailer is the combined weight of the vehicle and the load carried on the highway.

Sec. 504.505. COTTON VEHICLES. (a) The department shall issue specialty license plates for a single motor vehicle that is:

(1) used only to transport seed cotton modules, cotton, cotton burrs, or equipment used in transporting or processing cotton; and

(2) not more than 10 feet in width.

(b) The license plates must include the words "Cotton Vehicle."

(c) The initial fee for issuance of the license plates is \$8. The license plates may be renewed without payment of a fee.

Sec. 504.506. CERTAIN LOG LOADER VEHICLES. (a) The department shall issue specialty license plates for a vehicle that is temporarily operated on public highways, during daylight hours only, and on which machinery is mounted solely to load logs on other vehicles.

(b) The fee for issuance of the license plates is \$62.50.

(c) A person entitled to specialty license plates under this section may register the vehicle without payment of any fee paid for or at the time of registration other than the fee for the license plates.

(d) A vehicle having a license plate issued under this section is exempt from the inspection requirements of Chapter 548.

(e) This section does not apply to a vehicle used to haul logs.

(f) A vehicle to which this section applies that is operated on a public highway in violation of this section is considered to be operated or moved while unregistered and is immediately subject to the applicable fees and penalties prescribed by Chapter 502.

Sec. 504.507. FORESTRY VEHICLES. (a) The department shall issue specialty license plates for forestry vehicles. License plates issued under this section must include the words "Forestry Vehicle."

(b) The fee for issuance of the license plates is \$8. The department shall:

(1) also collect any additional fee that a county imposes under this chapter for registration of a forestry vehicle; and

(2) send the fee to the appropriate county for disposition.

(c) In this section, "forestry vehicle" means a vehicle used exclusively for transporting forest products in their natural state, including logs, debarked logs, untreated ties, stave bolts, plywood bolts, pulpwood billets, wood chips, stumps, sawdust, moss, bark, wood shavings, and property used in production of those products.

Sec. 504.508. TOW TRUCKS. (a) The department shall issue specialty license plates for a commercial motor vehicle used as a tow truck. The license plates must include the words "Tow Truck." A vehicle used commercially as a tow truck shall display license plates issued under this section.

(b) The fee for issuance of the license plates is \$15.

(c) Proof of eligibility for license plates under this section must include a copy of the registration certificate issued by the department for the tow truck.

(d) In this section, "tow truck" means a motor vehicle adapted or used to tow, winch, or otherwise move another motor vehicle.

Sec. 504.509. VEHICLES CARRYING MOBILE AMATEUR RADIO EQUIPMENT. (a) The department shall issue specialty license plates for a person who holds an amateur radio station license issued by the Federal Communications Commission and who operates receiving and transmitting mobile amateur radio equipment. The license plates shall include the person's amateur call letters as assigned by the Federal Communications Commission. A person may register more than one vehicle equipped with mobile amateur radio equipment under this section, and the department shall issue license plates that include the same amateur call letters for each vehicle.

(b) The fee for issuance of the license plates is \$2 for the first year and \$1 for each subsequent year.

Sec. 504.510. GOLF CART LICENSE PLATES. (a) The department shall issue specialty license plates for an eligible golf cart.

(b) The fee for issuance of the license plates is \$10.

(c) A person entitled to specialty license plates under this section may register the golf cart without payment of any fees paid for or at the time of registration other than the fee for the license plates. This section does not authorize the operation of a golf cart on a public road where it is otherwise prohibited by law.

(d) This section applies only to an owner of a golf cart who resides:

(1) on real property that is owned or under the control of the United States Corps of Engineers and is required by that agency to register the owner's golf cart under this chapter; and

(2) in a county that borders another state and has a population of more than 110,000 but less than 111,000.

[Sections 504.511-504.600 reserved for expansion]

SUBCHAPTER G. SPECIALTY LICENSE PLATES FOR GENERAL DISTRIBUTION

Sec. 504.601. GENERAL PROVISIONS APPLICABLE TO ALL SPECIALTY LICENSE PLATES FOR GENERAL DISTRIBUTION. Unless expressly provided by this subchapter or department rule:

(1) the fee for issuance of a license plate under this subchapter is \$30;
and

(2) of each fee received under this subchapter, the department shall use \$8 to defray its administrative costs in complying with this subchapter.

Sec. 504.602. KEEP TEXAS BEAUTIFUL LICENSE PLATES. (a) The department shall issue specialty license plates including the words "Keep Texas Beautiful." The department shall design the license plates in consultation with Keep Texas Beautiful, Inc.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be used in connection with the department's litter prevention and community beautification programs.

Sec. 504.603. TEXAS CAPITOL LICENSE PLATES. (a) The department shall issue specialty license plates depicting the State Capitol.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the general revenue fund.

Sec. 504.604. TEXAS COMMISSION ON THE ARTS LICENSE PLATES. (a) The department shall issue specialty license plates including the words "State of the Arts." The department shall design the license plates in consultation with the Texas Commission on the Arts.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the Texas Commission on the Arts operating fund established under Section 444.027, Government Code.

Sec. 504.605. ANIMAL FRIENDLY LICENSE PLATES. (a) The department shall issue specialty license plates including the words "Animal Friendly." The department shall design the license plates.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the animal friendly account established by Section 828.014, Health and Safety Code.

Sec. 504.606. BIG BEND NATIONAL PARK LICENSE PLATES. (a) The department shall issue specialty license plates that include one or more graphic images of a significant feature of Big Bend National Park. The department shall design the license plates in consultation with the Parks and Wildlife Department and any organization designated by it.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the Big Bend National Park account in the state treasury. Money in the account may be used only by the Parks and Wildlife Department to support the activities of a designated nonprofit organization whose primary purpose is the improvement or preservation of Big Bend National Park.

Sec. 504.607. READ TO SUCCEED. (a) The department shall issue specialty license plates including the words "Read To Succeed." The department shall design the license plates.

(b) After deduction of the department's administrative costs, the remainder of the fee shall be deposited to the credit of the "Read to Succeed" account in the general revenue fund. Money in the account may be used only to provide educational materials for public school libraries. The account is composed of:

(1) money required to be deposited to the credit of the account under this subsection; and

(2) donations made to the account.

Sec. 504.608. TEXAS COMMISSION ON ALCOHOL AND DRUG ABUSE LICENSE PLATES. (a) The department shall issue specialty license plates that include the words "Boy Scouts of America." The department shall design the license plates in consultation with the Boy Scouts of America.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the general revenue fund and may be appropriated only to the Texas Commission on Alcohol and Drug Abuse for drug-abuse prevention programs provided by nonprofit organizations that primarily serve children.

(c) In selecting a program provider under Subsection (b), it is the intent of the legislature that, to the extent permissible, preference be given to a provider whose membership substantially consists of persons who purchase the specialty license plates.

Sec. 504.609. UNITED STATES OLYMPIC COMMITTEE LICENSE PLATES. The department shall issue specialty license plates including the words "United States Olympic Committee." The department shall design the license plates in consultation with the United States Olympic Committee.

Sec. 504.610. TEXAS AEROSPACE COMMISSION LICENSE PLATES. (a) The department shall issue specialty license plates including the words "Texas Aerospace Commission." The department shall design the license plates in consultation with the Texas Aerospace Commission.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the general revenue fund.

Sec. 504.611. VOLUNTEER ADVOCATE PROGRAM LICENSE PLATES. (a) The department shall issue specialty license plates in recognition of children. The department shall design the license plates in consultation with the attorney general.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the attorney general volunteer advocate program account in the general revenue fund. Money deposited to the credit of the volunteer advocate program account may be used only by the attorney general to fund a contract entered into by the attorney general under Section 264.602, Family Code.

Sec. 504.612. TEXAS YOUNG LAWYERS ASSOCIATION LICENSE PLATES. (a) The department shall issue specialty license plates including the words "And Justice for All." The department shall design the license plates in consultation with the Texas Young Lawyers Association.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the basic civil legal services account established by Section 51.943, Government Code.

Sec. 504.613. HOUSTON LIVESTOCK SHOW AND RODEO LICENSE PLATES. (a) The department shall issue specialty license plates including the words "Houston Livestock Show and Rodeo." The department shall design the license plates in consultation with the Houston Livestock Show and Rodeo.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the Houston Livestock Show and Rodeo scholarship account in the state treasury. Money in the account may be used only by the Texas Higher Education Coordinating Board in making grants to benefit the Houston Livestock Show and Rodeo.

Sec. 504.614. PROFESSIONAL SPORTS TEAM LICENSE PLATES. (a) The department may issue specialty license plates that include the name and insignia of a professional sports team located in this state. The department shall design the license plates in consultation with the professional sports team and may enter a trademark license with the professional sports team or its league to implement this section. A license plate may be issued under this section only for a professional sports team that:

(1) certifies to the department that it has determined that at least 3,500 persons will apply for the plates; and

(2) plays its home games in a facility constructed or operated, in whole or in part, with public funds.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be sent to the public entity that provided public funds for the construction or renovation of the facility in which the professional sports team plays its home games or that provides public funds for the operation of that facility. The funds shall be deposited to the credit of the venue project fund, if the public entity has created a venue project fund under Section 334.042 or 335.072, Local Government Code. If the public entity has not created a venue project fund, funds distributed to a public entity under this section must first be used to retire any public debt incurred by the public entity in the construction or acquisition of the facility in which the professional sports team plays its home games. After that debt is retired, funds distributed to the public entity may be spent only for maintenance or improvement of the facility.

(c) In this section:

(1) "Public entity" includes a municipality, county, industrial development corporation, or special district that is authorized to plan, acquire, establish, develop, construct, or renovate a facility in which a professional sports team plays its home games.

(2) "Professional sports team" means a sports team that is a member or an affiliate of a member of the National Football League, National Basketball Association, or National Hockey League or a major league baseball team.

Sec. 504.615. COLLEGIATE LICENSE PLATES. (a) The department shall issue specialty license plates that include the name and insignia of a college. The department shall design the license plates in consultation with the applicable college. The department may issue a license plate under this section only for a college that certifies to the department that it has determined that at least 1,500 persons will apply for the plates.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the general revenue fund. The money may be used only for scholarships to students who demonstrate a need for financial assistance under Texas Higher Education Coordinating Board rule.

(c) If the fee is for the issuance of license plates for a college described by Subsection (e)(1), the money:

(1) shall be deposited to the credit of the institution of higher education designated on the license plates; and

(2) is supplementary and is not income for purposes of reducing general revenue appropriations to that institution of higher education.

(d) If the fee is for the issuance of license plates for a college described by Subsection (e)(2), the money shall be deposited to the credit of the Texas Higher Education Coordinating Board. The money:

(1) shall be allocated to students at the college designated on the plates;
and

(2) is in addition to other money that the board may allocate to that college.

(e) In this section, "college" means:

(1) an institution of higher education as defined by Section 61.003, Education Code; or

(2) a private college or university described by Section 61.222, Education Code.

Sec. 504.616. TEXAS READS LICENSE PLATES. (a) The department shall issue specialty license plates including the words "Texas Reads." The department shall design the license plates to incorporate one or more submissions from middle school students in a competition conducted by the department.

(b) After deduction of the department's administrative costs, the remainder of the fee shall be deposited to the credit of the Texas Reads account in the general revenue fund. Money from the account may be used only to make grants under Section 441.0092, Government Code. The account is composed of:

(1) money required to be deposited to the credit of the account under this subsection; and

(2) donations made to the account.

Sec. 504.617. TEXAS. IT'S LIKE A WHOLE OTHER COUNTRY LICENSE PLATES. (a) The department shall issue specialty license plates that include the trademarked Texas patch and the words "Texas. It's Like A Whole Other Country." The department shall design the license plates in consultation with the Texas Department of Economic Development.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the tourism account in the general revenue fund to finance the Texas Department of Economic Development's tourism activities.

Sec. 504.618. CONSERVATION LICENSE PLATES. (a) The department shall issue specialty license plates to support Parks and Wildlife Department activities. The department shall design the license plates in consultation with the Parks and Wildlife Department.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the Texas parks and wildlife capital account established by Section 11.043, Parks and Wildlife Code. Money deposited in the Texas parks and wildlife capital account under this section is supplementary and is not income for the purposes of reducing general revenue appropriations to the Parks and Wildlife Department.

Sec. 504.619. TEXAS COMMISSION FOR THE DEAF AND HARD OF HEARING LICENSE PLATES. (a) The department shall issue specialty license plates in support of the Texas Commission for the Deaf and Hard of Hearing. The department shall design the license plates in consultation with the Texas Commission for the Deaf and Hard of Hearing.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates:

(1) shall be deposited to the credit of the general revenue fund; and

(2) may be appropriated only to the Texas Commission for the Deaf and Hard of Hearing for direct services programs, training, and education.

Sec. 504.620. TEXANS CONQUER CANCER LICENSE PLATES. (a) The department shall issue specialty license plates that include the words "Texans Conquer Cancer." The department shall design the license plates in consultation with the Texas Cancer Council.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the Texans Conquer Cancer account established by Section 102.017, Health and Safety Code.

Sec. 504.621. SPECIAL OLYMPICS TEXAS LICENSE PLATES. (a) The department shall issue specialty license plates that include the words "Special Olympics Texas." The department shall design the license plates in consultation with Special Olympics Texas.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the Special Olympics Texas account established by Section 533.018, Health and Safety Code.

Sec. 504.622. GIRL SCOUT LICENSE PLATES. (a) The department shall issue specialty license plates that include the words "Girl Scouts." The department shall design the license plates in consultation with the Girl Scout Councils of Texas.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the Girl Scout account in the state treasury. Money in the account may be used by the Texas Higher Education Coordinating Board in making grants to benefit educational projects sponsored by the Girl Scout Councils of Texas.

Sec. 504.623. TEXAS YMCA. (a) The department shall issue specialty license plates in honor of the Young Men's Christian Association. The department shall design the license plates.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the YMCA account established by Section 7.025, Education Code, as added by Chapter 869, Acts of the 77th Legislature, Regular Session, 2001.

Sec. 504.624. 100TH FOOTBALL SEASON OF STEPHEN F. AUSTIN HIGH SCHOOL. (a) The department shall issue specialty license plates in honor of the 100th football season of Stephen F. Austin High School in Austin. The department shall design the license plates in consultation with the principal of Stephen F. Austin High School.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be sent to the Texas Education Agency for distribution to the Austin Independent School District to be used only for the benefit of the Austin High School Athletic Department.

Sec. 504.625. TEXAS AGRICULTURAL PRODUCTS LICENSE PLATES. (a) The department shall issue specialty license plates that include the words "Go Texan" and the "Go Texan" logo of the Department of Agriculture. The department shall design the license plates in consultation with the commissioner of agriculture.

(b) After deduction of the department's administrative costs, the department shall deposit the remainder of the proceeds to the credit of the "Go Texan" partner program account established by Section 46.008, Agriculture Code.

Sec. 504.626. TEXAS CITRUS INDUSTRY. (a) The department shall issue specialty license plates in honor of the citrus industry in this state. The department shall design the license plates.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of an account in the general revenue fund that may be appropriated only to Texas A&M University–Kingsville to provide financial assistance to graduate students in the College of Agriculture and Human Sciences.

Sec. 504.627. WATERFOWL AND WETLAND CONSERVATION LICENSE PLATES. (a) The department shall issue specialty license plates including one or more graphic images supplied by the Parks and Wildlife Department. The department shall design the license plates in consultation with the Parks and Wildlife Department and any organization designated by it.

(b) After deducting the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of an account in the state treasury. Money in the account may be used only by the Parks

and Wildlife Department to support the activities of a designated nonprofit organization whose primary purpose is the conservation of waterfowl and wetland.

Sec. 504.628. UNITED WE STAND LICENSE PLATES. (a) The department shall issue specialty license plates that include the words "United We Stand" and include only the colors red, white, blue, and black.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the Texas Military Preparedness Grant Account in the general revenue fund.

Sec. 504.629. TEXAS PGA JUNIOR GOLF LICENSE PLATES. (a) The department shall issue specialty license plates in honor of Texas PGA Junior Golf. The department shall design the license plates in consultation with Texas PGA Junior Golf.

(b) After deduction of the department's administrative costs, the remainder of the fee shall be deposited to the credit of the general revenue fund for use only by the Texas Parks and Wildlife Department in making grants to benefit Texas PGA Junior Golf to provide scholarships to students.

Sec. 504.630. AIR FORCE ASSOCIATION LICENSE PLATES. (a) The department shall issue specialty license plates that include the words "Air Force Association." The department shall design the license plates in consultation with the Air Force Association of Texas.

(b) After deduction of the department's administrative costs, the remainder of the fee shall be deposited to the credit of the Air Force Association of Texas account in the state treasury. Money in the account may be used by the Texas Veterans Commission in making grants to benefit projects sponsored by the Air Force Association of Texas.

Sec. 504.631. TEXAS STATE RIFLE ASSOCIATION LICENSE PLATES. (a) The department shall issue specialty license plates to honor the Texas State Rifle Association.

(b) After deduction of the department's administrative costs, the remainder of the fee shall be deposited to the credit of an account in the general revenue fund that may be appropriated only to the Texas A&M University System to supplement existing and future scholarship programs supported by the Texas State Rifle Association and to provide grants to 4-H Club shooting sports programs to promote safety education.

Sec. 504.632. URBAN FORESTRY LICENSE PLATES. (a) The department shall issue specialty license plates to benefit urban forestry. The department shall design the license plates in consultation with an organization described in Subsection (b).

(b) After deduction of the department's administrative costs, the remainder of the fee shall be deposited to the credit of the urban forestry account in the state treasury. Money in the account may be used by the Texas Forest Service in making grants to support the activities of a nonprofit organization located in Texas whose primary purpose is to sponsor projects involving urban and community:

(1) tree planting;

- (2) tree preservation; and
- (3) tree education programs.

Sec. 504.633. SHARE THE ROAD LICENSE PLATES. (a) The department shall issue specialty license plates that include the words "Share the Road" and the image of a bicycle or a bicycle with a rider. The department shall design the plates in consultation with the Texas Bicycle Coalition Education Fund.

(b) After deduction of the department's administrative costs, the remainder of the fee shall be deposited to the credit of the share the road account in the state treasury to be used only by the Texas Education Agency to support the activities of a designated nonprofit organization whose primary purpose is to promote bicyclist safety, education, and access through:

- (1) education and awareness programs; and
- (2) training, workshops, educational materials, and media events.

(c) Up to 25 percent of the amount in Subsection (b) may be used to support the activities of the nonprofit organization in marketing and promoting the share the road concept and license plates.

Sec. 504.634. SAN ANTONIO MISSIONS NATIONAL HISTORICAL PARK LICENSE PLATES. (a) The department shall issue San Antonio Missions National Historical Park specialty license plates. The department shall design the license plates in consultation with Los Compadres de San Antonio Missions National Historical Park.

(b) After deduction of the department's administrative costs, the remainder of the fee shall be deposited to the credit of Los Compadres de San Antonio Missions National Historical Park account in the state treasury. Money in the account may be used only by the Texas Historical Commission in making grants to Los Compadres de San Antonio Missions National Historical Park to be used for the purpose of the preservation and rehabilitation of the San Antonio Missions National Historical Park.

Sec. 504.635. EL PASO MISSION VALLEY LICENSE PLATES. (a) The department shall issue El Paso Mission Valley specialty license plates. The department shall design the license plates in consultation with the Socorro Mission Restoration Effort.

(b) After deduction of the department's administrative costs, the remainder of the fee shall be deposited to the credit of the El Paso Mission Restoration account in the state treasury. Money in the account may be used only by the Texas Historical Commission in making grants to the Socorro Mission Restoration Effort to be used for the purpose of the preservation and rehabilitation of the Socorro Mission.

Sec. 504.636. COTTON BOLL LICENSE PLATES. (a) The department shall issue specialty license plates depicting a graphic image of a cotton boll. The department shall design the license plates in consultation with Texas Cotton Producers, Inc.

(b) After deduction of the department's administrative costs, the remainder of the fee shall be deposited to the credit of the general revenue fund for use only by the Texas Higher Education Coordinating Board in making grants to benefit

Texas Cotton Producers, Inc., for the sole purpose of providing scholarships to students who are pursuing a degree in an agricultural field related to the cotton industry while enrolled in an institution of higher education, as defined by Section 61.003, Education Code.

Sec. 504.637. DAUGHTERS OF THE REPUBLIC OF TEXAS LICENSE PLATES. The department shall issue specialty license plates that include the words "Native Texan." The department shall design the license plates in consultation with the Daughters of the Republic of Texas.

(b) After deduction of the department's administrative costs, the remainder of the fee shall be deposited to the credit of the Daughters of the Republic of Texas account in the state treasury. Money in the account may be used only by the Texas Department of Economic Development or its successor agency in making grants to the Daughters of the Republic of Texas to be used only for the purpose of:

(1) preserving Texas historic sites; or

(2) funding educational programs that teach Texas history.

Sec. 504.638. KNIGHTS OF COLUMBUS LICENSE PLATES. (a) The department shall issue specialty license plates that include the words "Knights of Columbus" and the emblem of the Order of the Knights of Columbus. The department shall design the license plates in consultation with the Knights of Columbus.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the State Council Charities account in the general fund. Money in the account may be used only by the Texas Education Agency to make grants to State Council Charities to carry out the purposes of that organization.

Sec. 504.639. TEXAS MUSIC LICENSE PLATES. (a) The department shall issue specialty license plates that include the words "Texas Music." The department shall design the license plates in consultation with the office of the Governor.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the Texas Music Foundation account established by Section 7.026, Education Code.

Sec. 504.640. SPACE SHUTTLE COLUMBIA LICENSE PLATES. (a) The department shall issue Space Shuttle Columbia specialty license plates. The department shall design the license plates in consultation with the Aviation and Space Foundation of Texas.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the general revenue fund and may be used only by the Texas Aerospace Commission or its successor agency in making grants to benefit the Aviation and Space Foundation of Texas for the purposes of furthering aviation and space activities in Texas and providing Columbia Crew memorial scholarships to students.

Sec. 504.641. BE A BLOOD DONOR LICENSE PLATES. (a) The department shall issue Be a Blood Donor specialty license plates. The department shall design the license plates in consultation with the Gulf Coast Regional Blood Center in Houston.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the Be a Blood Donor account under Section 162.016, Health and Safety Code.

Sec. 504.642. TEXAS COUNTY CHILD WELFARE BOARD LICENSE PLATES. (a) The department shall issue Texas County Child Welfare Boards specialty license plates. The department shall design the license plates in consultation with the Texas Council of Child Welfare Boards, Inc.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of a special account for abused and neglected children established at the Texas Department of Protective and Regulatory Services. Money in the account may be used only by the Texas Department of Protective and Regulatory Services to fund programs and services supporting abused and neglected children under Section 264.004, Family Code.

Sec. 504.643. STAR DAY SCHOOL LIBRARY READERS ARE LEADERS LICENSE PLATES. (a) The department shall issue specialty license plates that include the words "STAR Day School Library Readers Are Leaders." The department shall design the license plates in consultation with the State of Texas Anniversary Remembrance (STAR) Day Foundation.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the general revenue fund and used only by the Texas Education Agency in making grants to benefit the State of Texas Anniversary Remembrance (STAR) Day Foundation to be used only for the purpose of providing supplementary reading and service programs in partnership with public schools in this state for seventh and eighth grade public school students.

Sec. 504.644. MARINE MAMMAL RECOVERY LICENSE PLATES. (a) The department shall issue Marine Mammal Recovery specialty license plates. The department shall design the license plates in consultation with the Parks and Wildlife Department and the Texas Marine Mammal Stranding Network.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of an account in the state treasury. Money in the account may be used only by the Parks and Wildlife Department to support the activities of the Texas Marine Mammal Stranding Network in the recovery, rehabilitation, and release of stranded marine mammals. The Parks and Wildlife Department shall establish reporting and other mechanisms necessary to ensure that the money is spent for purposes for which it is dedicated.

Sec. 504.645. 4-H LICENSE PLATES. (a) The department shall issue specialty license plates that include the words "To Make the Best Better," the words "Texas 4-H," and the 4-H symbol of the four-leaf clover. The department shall design the license plates in consultation with the Texas 4-H and Youth Development Program.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the general revenue fund and shall be used only by the Texas Cooperative Extension of the Texas A&M University System for 4-H and Youth Development Programs and to support the Texas Cooperative Extension's activities related to 4-H and Youth Development Programs.

Sec. 504.646. SMILE TEXAS STYLE LICENSE PLATES. (a) The department shall issue specialty license plates that include the words "Smile Texas Style." The department shall design the license plates in consultation with the Texas Dental Association.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the general revenue fund to be used only by the Texas Department of Health in making grants to benefit the Texas Dental Association Financial Services for the sole use of providing charitable dental care.

Sec. 504.647. FIGHT TERRORISM LICENSE PLATES. (a) The department shall issue Fight Terrorism specialty license plates. The license plates shall include a pentagon-shaped border surrounding:

(1) the date "9-11-01" with the likeness of the World Trade Center towers forming the "11";

(2) the likeness of the United States flag; and

(3) the words "Fight Terrorism."

(b) The fee shall be deposited to the credit of the state highway fund.

Sec. 504.648. GOD BLESS TEXAS AND GOD BLESS AMERICA LICENSE PLATES. (a) The department shall issue specialty license plates that include the words "God Bless Texas" and "God Bless America."

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the state highway fund and may only be used for the Safe Routes to School Program.

(c) The fee for the license plates is \$40.

Sec. 504.649. TEXAS JUNETEENTH LICENSE PLATES. (a) The department shall issue Texas Juneteenth specialty license plates. The department shall design the license plates in consultation with the Texas Emancipation Juneteenth Cultural and Historical Commission.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the Texas Emancipation Juneteenth Cultural and Historical Commission in a special account in the state treasury. Money in the account may be used only by the Texas Emancipation Juneteenth Cultural and Historical Commission for grants to Juneteenth USA to erect a Juneteenth Memorial Monument on the South grounds of the State Capitol, place Juneteenth monuments and markers in various

historical parts of Texas, develop a Juneteenth Museum, Cultural, and Educational Institute, Recreation Center, and Park, and otherwise support the activities and projects of Juneteenth USA and its affiliates.

Sec. 504.650. KEEPING TEXAS STRONG LICENSE PLATES. (a) The department shall issue Keeping Texas Strong specialty license plates. The department shall design the license plates in consultation with the Texas Alliance of Energy Producers.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the Texas Alliance Education Program account in the general revenue fund. Money in the account may be used only by the Texas Education Agency to finance the education programs of the Texas Alliance of Energy Producers.

Sec. 504.651. MARCH OF DIMES LICENSE PLATES. (a) The department shall issue specialty license plates that include the words "March of Dimes." The department shall design the license plates in consultation with March of Dimes Texas Chapter.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the Texas Department of Health for use in the Birth Defects Registry.

Sec. 504.652. MASTER GARDENER LICENSE PLATES. (a) The department shall issue specialty license plates that include the seal of the Texas Master Gardener program of Texas Cooperative Extension.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of an account in the general revenue fund. Money in the account may be used only by Texas Cooperative Extension for graduate student assistantships within the Texas Master Gardener program and to support Texas Cooperative Extension's activities related to the Texas Master Gardener program.

Sec. 504.653. MOTHER-CHILD SURVIVORS EDUCATIONAL SCHOLARSHIP FUND LICENSE PLATES. (a) The department shall issue mother-child survivors educational scholarship fund specialty license plates. The department shall design the license plates in consultation with Texans for Equal Justice.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the general revenue fund and may only be used by the attorney general to support the Texans for Equal Justice mother-child survivors educational scholarship fund for educational scholarships to:

(1) surviving spouses of homicide victims who have one or more minor children and who need further education to adequately support the family; and

(2) surviving children of homicide victims entering an institution of higher education or vocational school for the first time.

Sec. 504.654. PRESERVE AMERICA'S BORDERLAND LICENSE PLATES. (a) The department shall issue Preserve America's Borderland specialty license plates. The department shall design the license plates in consultation with the Borderlands Heritage Tourism Council.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of an account in the state treasury. Money in the account may be used only by the Texas Department of Economic Development for projects overseen by the Borderlands Heritage Tourism Council. The Texas Department of Economic Development shall establish reporting and other mechanisms necessary to ensure that the money is spent for purposes for which it is dedicated.

Sec. 504.655. EAGLE SCOUT LICENSE PLATES. (a) The department shall issue specialty license plates that bear a depiction of the Eagle Scout medal.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the Eagle Scout account in the general revenue fund. Money in the account may be used only by the Texas Higher Education Coordinating Board in making grants to support projects sponsored by Boy Scout councils in this state. The Texas Higher Education Coordinating Board shall distribute grants under this section geographically as nearly as possible in proportion to the number of license plates issued under this section in each region of the state.

Sec. 504.656. TEJANO MONUMENT LICENSE PLATES. (a) The department shall issue Tejano Monument specialty license plates. The department shall design the license plates in consultation with The Tejano Monument, Inc.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the Tejano Monument account in the general revenue fund. Money in the account may be used only by the State Preservation Board to design and erect a Tejano Monument for placement on the Capitol grounds or related educational programs.

Sec. 504.657. TEXAS LIONS CAMP LICENSE PLATES. (a) The department shall issue Texas Lions Camp specialty license plates. The department shall design the license plates in consultation with the Texas Lions League for Crippled Children.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the Texas Lions Camp account in the state treasury. Money in the account may be used only by the Parks and Wildlife Department to support the activities of a designated nonprofit organization that is accredited by the American Camping Association and is licensed by the Texas Department of Health and whose primary purpose is to provide, without charge, a camp for physically disabled, hearing or vision impaired, and diabetic children who reside in this state, regardless of race, religion, or national origin. The Parks and Wildlife Department shall establish reporting and other mechanisms necessary to ensure that the money is spent only for the purposes for which it is dedicated.

[Sections 504.658-504.700 reserved for expansion]

SUBCHAPTER H. ADMINISTRATIVE PROVISIONS RELATING TO
SPECIALTY LICENSE PLATES FOR GENERAL DISTRIBUTION

Sec. 504.701. DISCONTINUANCE OF CERTAIN SPECIALTY LICENSE PLATES. (a) This section applies only to license plates authorized by:

(1) Section 504.602;

- (2) Section 504.603;
- (3) Section 504.604;
- (4) Section 504.605;
- (5) Section 504.606;
- (6) Section 504.607;
- (7) Section 504.608;
- (8) Section 504.609;
- (9) Section 504.610;
- (10) Section 504.611;
- (11) Section 504.612;
- (12) Section 504.613;
- (13) Section 504.614; or
- (14) Section 504.615.

(b) Except as provided by Subsections (d) and (e), on or after September 1, 2004, the department may continue to issue license plates to which this section applies only if before that date at least:

(1) 3,500 sets of the license plates authorized by the applicable section of this chapter have been issued or presold;

(2) \$15,000 has been received by the department from the issuance of license plates under that section; or

(3) \$15,000 has been deposited with the department for the continued issuance of those license plates.

(c) If before September 1, 2004, one of the conditions described by Subsection (b) is not met for the license plate, the section that authorizes the issuance of that license plate expires on that date.

(d) On or after September 1, 2004, the department may continue to issue license plates under:

(1) Section 504.615 for a particular institution of higher education or private college or university only if before that date:

(A) 1,500 sets of license plates for the particular institution, college, or university have been issued or presold;

(B) \$15,000 has been received by the department from the issuance of the license plates for that institution, college, or university; or

(C) \$15,000 has been deposited with the department for the continued issuance of the license plates for that institution, college, or university; or

(2) Section 504.614 for a particular professional sports team only if before that date:

(A) 3,500 sets of the license plates for that sports team have been issued or presold;

(B) \$15,000 has been received by the department from the issuance of license plates for that sports team; or

(C) \$15,000 has been deposited with the department for the continued issuance of license plates for that sports team.

(e) Money deposited with the department under Subsection (b)(3), (d)(1)(C), or (d)(2)(C) shall be returned by the department to the person who made the deposit only after the requisite number of license plates under those subsections are issued or presold.

Sec. 504.702. SPECIALTY LICENSE PLATES AUTHORIZED AFTER JANUARY 1, 1999. (a) This section applies only to specialty license plates that are authorized to be issued by a law that takes effect on or after January 1, 1999.

(b) The department may manufacture the specialty license plates only if a request for manufacture of the license plates is filed with the department. The request must be:

(1) made on a form adopted by the department;

(2) filed before the fifth anniversary of the effective date of the law that authorizes the issuance of the specialty license plates; and

(3) accompanied by:

(A) a deposit of \$15,000; or

(B) applications for issuance of at least 3,500 sets of the license plates plus the fees for issuance of that number of sets.

(c) Money deposited with the department under Subsection (b)(3)(A) shall be returned to the person who made the deposit only if 3,500 sets of the applicable license plates are issued or presold.

(d) If a request is not filed with the department before the date specified by Subsection (b)(2), the law that authorizes the issuance of the specialty license plates expires on that date.

[Sections 504.703-504.800 reserved for expansion]

SUBCHAPTER I. DEVELOPMENT OF NEW SPECIALTY LICENSE PLATES

Sec. 504.801. CREATION OF NEW SPECIALTY LICENSE PLATES BY THE DEPARTMENT. (a) The department may create new specialty license plates on its own initiative or on receipt of an application from a potential sponsor. A new specialty license plate created under this section must comply with each requirement of Section 504.702 unless the license is created by the department on its own initiative. The department may permit a specialty license plate created under this section to be personalized. The redesign of an existing specialty license plate at the request of a sponsor shall be treated like the issuance of a new specialty license plate, except that the department may require a lower deposit amount to reflect the actual costs of redesigning the license plate.

(b) Any person may sponsor a new specialty license plate by submitting an application to the department. An application may nominate a state agency to receive funds derived from the issuance of the license plates. The application may also identify uses to which those funds should be appropriated.

(c) The department shall design each new specialty license plate in consultation with the sponsor, if any, that applied for creation of that specialty license plate. The department may refuse to create a new specialty license plate if the design might be offensive to any member of the public, if the nominated state agency does not consent to receipt of the funds derived from issuance of the license plate, if the uses identified for those funds might violate a statute or

constitutional provision, or for any other reason established by rule. At the request of the sponsor, distribution of the license plate may be limited by the department.

(d) The fee for issuance of license plates authorized under this subchapter is \$30.

(e) For each fee collected:

(1) \$8 shall be used to reimburse the department for its administrative costs; and

(2) the remainder shall be deposited to the credit of:

(A) the specialty license plate fund, an account in the general revenue fund, if the sponsor nominated a state agency to receive the funds; or

(B) the state highway fund if the sponsor did not nominate a state agency to receive the funds or if there is no sponsor.

(f) Subchapter D, Chapter 316, Government Code, and Section 403.095, Government Code, do not apply to fees collected under this section.

(g) The department may report to the legislature at any time concerning implementation of this section. The report may include recommendations concerning the appropriations, by amount, state agency, and uses, that are necessary to implement the requests of sponsors.

(h) The department may license a trademark for inclusion within the design of the plates and may pay a fee for the trademark license. If a fee is paid for the trademark license, the fee shall be paid from the amount deposited under subsection (e)(2).

(i) The department may vary the design of a license plate created under this section to accommodate or reflect its use on a motor vehicle other than a passenger car or light truck.

(j) The sponsor of a new specialty license plate may not be a for-profit entity.

[Sections 504.802-504.850 reserved for expansion]
SUBCHAPTER J. MARKETING OF SPECIALTY
PLATES THROUGH PRIVATE VENDOR

Sec. 504.851. CONTRACT WITH PRIVATE VENDOR. (a) The Texas Transportation Commission may authorize the department to enter into a contract with the private vendor whose proposal is most advantageous to the state as determined from competitive sealed proposals for the marketing and sale of:

(1) personalized prestige license plates authorized by Section 504.101;

or

(2) other specialized license plates authorized by this subchapter.

(b) Instead of the fees established by Section 504.101(c), if the Texas Transportation Commission authorizes the department to contract with a private vendor under Subsection (a)(1) for the marketing and sale of personalized prestige license plates, the commission by rule shall establish fees for the issuance or renewal of personalized prestige license plates that are marketed and sold by the private vendor. Fees must be reasonable and not less than the greater of:

(1) the amounts necessary to allow the department to recover all costs to the department associated with the evaluation of the competitive sealed proposals received by the department and with the implementation and enforcement of the contract, including direct, indirect, and administrative costs; or

(2) the amount established by Section 504.101(c).

(c) If the Texas Transportation Commission authorizes the department to contract with a private vendor under Subsection (a)(2) for the marketing and sale of other specialized license plates authorized by this subchapter, including specialized license plates that may be personalized, the commission by rule shall establish the fees for the issuance or renewal of specialized license plates that are marketed and sold by the private vendor. Fees must be reasonable and not less than the amounts necessary to allow the department to recover all costs to the department associated with the evaluation of the competitive sealed proposals received by the department and with the implementation and enforcement of the contract, including direct, indirect, and administrative costs. A fee established under this subsection is in addition to:

(1) the registration fee and any optional registration fee prescribed by this chapter for the vehicle for which the specialized license plates are issued;

(2) any additional fee prescribed by this subchapter for the issuance of the specialized license plates for that vehicle; and

(3) any additional fee prescribed by this subchapter for the issuance of personalized special license plates for that vehicle.

(d) At any time, as necessary to comply with Subsection (b) or (c), the Texas Transportation Commission may increase or decrease the amount of a fee established under the applicable subsection.

(e) A contract with a private vendor under Subsection (a)(1) is payable only from amounts derived from the collection of the fee established under Subsection (b). A contract with a private vendor under Subsection (a)(2) is payable only from amounts derived from the collection of the fee established under Subsection (c).

(f) The department may create new design and color combinations for personalized prestige license plates that are marketed or sold by a private vendor under a contract entered into under Subsection (a)(1). Each approved license plate design and color combination remains the property of the department.

(g) The department may create new design and color combinations for specialized license plates, including specialized license plates that may be personalized, that are marketed or sold by a private vendor under a contract entered into under Subsection (a)(2). Each approved license plate design and color combination remains the property of the department. This subsection does not authorize:

(1) the department to approve a design or color combination for a specialized license plate that is inconsistent with the design or color combination specified for the license plate by the section of this subchapter that authorizes the issuance of the specialized license plate; or

(2) the private vendor to market or sell a specialized license plate with a design or color combination that is inconsistent with the design or color combination specified by that section.

(h) In connection with a license plate that is marketed or sold by a private vendor under contract, the department may cancel a license plate or require the discontinuation of a license plate design or color combination at any time if the department determines that the cancellation or discontinuation is in the best interest of this state or the motoring public.

(i) A contract entered into by the department with a private vendor under this section:

(1) must comply with any law generally applicable to a contract for services entered into by the department;

(2) must require the private vendor to render at least quarterly to the department periodic accounts that accurately detail all material transactions, including information reasonably required by the department to support fees that are collected by the vendor, and to regularly remit all money payable to the department under the contract; and

(3) may allow or require the private vendor to establish an electronic infrastructure coordinated and compatible with the department's registration system, by which motor vehicle owners may electronically send and receive applications, other documents, or required payments, and that, when secure access is necessary, can be electronically validated by the department.

(j) From amounts received by the department, the department shall deposit to the credit of the state highway fund an amount sufficient to enable the department to recover its administrative costs for all license plates issued under this section, including any payments to the vendor under Subsection (a), and any other amounts allocated to the state highway fund by another law. To the extent that disposition of other amounts received from the vendor are governed by another law, those amounts shall be deposited in accordance with the other law, and for each type of license plate, the amount charged for the license plate may not be less than the amount in effect on January 1, 2003. Any additional amount received from the vendor shall be deposited to the credit of the general revenue fund.

(k) The Texas Transportation Commission may authorize the department to pay a licensing fee for the use of a trademark in connection with the marketing and sale of a license plate under this section.

SECTION 2. Subchapter A, Chapter 502, Transportation Code, is amended by adding Sections 502.0071, 502.0072, 502.0073, 502.0074, 502.0078, and 502.0079 to read as follows:

Sec. 502.0071. GOLF CARTS. An owner of a golf cart is not required to register the golf cart if:

(1) the operation of the golf cart occurs in the daytime, as defined by Section 541.401; and

(2) the operation:

(A) does not exceed a distance of two miles from the point of origin to the destination if driven to and from a golf course;

(B) occurs entirely within a master planned community with a uniform set of restrictive covenants that has had a plat approved by a county or a municipality; or

(C) occurs on a public or private beach.

Sec. 502.0072. MANUFACTURED HOUSING. Manufactured housing, as defined by Section 1201.003, Occupations Code, is not a vehicle subject to this chapter.

Sec. 502.0073. POWER SWEEPERS. (a) An owner of a power sweeper is not required to register the power sweeper.

(b) In this section, "power sweeper" means an implement, with or without motive power, designed for the removal by broom, vacuum, or regenerative air system of debris, dirt, gravel, litter, or sand from asphaltic concrete or cement concrete surfaces, including surfaces of parking lots, roads, streets, highways, and warehouse floors. The term includes a vehicle on which the implement is permanently mounted if the vehicle is used only as a power sweeper.

Sec. 502.0074. MOTORIZED MOBILITY DEVICE. The owner of a motorized mobility device, as defined by Section 542.008, as amended by Chapter 497, Acts of the 77th Legislature, Regular Session, 2001, is not required to register the motorized mobility device.

Sec. 502.0078. VEHICLES OPERATED ON PUBLIC HIGHWAY SEPARATING REAL PROPERTY UNDER VEHICLE OWNER'S CONTROL. Where a public highway separates real property under the control of the owner of a motor vehicle, the operation of the motor vehicle by the owner or the owner's agent or employee across the highway is not a use of the motor vehicle on the public highway.

Sec. 502.0079. VEHICLES OPERATED BY CERTAIN NONRESIDENTS. (a) A nonresident owner of a motor vehicle, trailer, or semitrailer that is registered in the state or country in which the person resides may operate the vehicle to transport persons or property for compensation without being registered in this state, if the person does not exceed two trips in a calendar month and each trip does not exceed four days.

(b) A nonresident owner of a privately owned vehicle that is not registered in this state may not make more than five occasional trips in any calendar month into this state using the vehicle. Each occasional trip into this state may not exceed five days.

(c) A nonresident owner of a privately owned passenger car that is registered in the state or country in which the person resides and that is not operated for compensation may operate the car in this state for the period in which the car's license plates are valid. In this subsection, "nonresident" means a resident of a state or country other than this state whose presence in this state is as a visitor and who does not engage in gainful employment or enter into business or an occupation, except as may otherwise be provided by any reciprocal agreement with another state or country.

(d) This section does not prevent:

(1) a nonresident owner of a motor vehicle from operating the vehicle in this state for the sole purpose of marketing farm products raised exclusively by the person; or

(2) a resident of an adjoining state or country from operating in this state a privately owned and registered vehicle to go to and from the person's place of regular employment and to make trips to purchase merchandise, if the vehicle is not operated for compensation.

(e) The privileges provided by this section may be allowed only if, under the laws of the appropriate state or country, similar privileges are granted to vehicles registered under the laws of this state and owned by residents of this state.

(f) This section does not affect the right or status of a vehicle owner under any reciprocal agreement between this state and another state or country.

SECTION 3. Subchapter D, Chapter 502, Transportation Code, is amended by adding Sections 502.187 and 502.188 to read as follows:

Sec. 502.187. PARADE VEHICLES OWNED BY NONPROFIT SERVICE ORGANIZATIONS. (a) A motor vehicle owned and operated by a nonprofit service organization and designed, constructed, and used primarily for parade purposes is subject to registration as provided by this chapter but is exempt from the fee otherwise prescribed by this chapter.

(b) Subsection (a) does not apply to a vehicle for which a registration fee has been paid under other law.

Sec. 502.188. CERTAIN SOIL CONSERVATION EQUIPMENT. (a) The owner of a truck-tractor, semitrailer, or low-boy trailer used on a highway exclusively to transport the owner's soil conservation machinery or equipment used in clearing real property, terracing, or building farm ponds, levees, or ditches may register the vehicle for a fee equal to 50 percent of the fee otherwise prescribed by this chapter for the vehicle.

(b) An owner may register only one truck-tractor and only one semitrailer or low-boy trailer under this section.

(c) An owner applying for registration under this section must submit a statement that the vehicle is to be used only as provided by Subsection (a).

(d) The registration receipt issued for a vehicle registered under this section shall state the nature of the operation for which the vehicle may be used. The receipt must be carried at all times in or on the vehicle to permit ready inspection.

(e) A vehicle to which this section applies that is operated on a public highway in violation of this section is considered to be operated while unregistered and is immediately subject to the applicable registration fees and penalties prescribed by this chapter.

SECTION 4. Subchapter B, Chapter 7, Education Code, is amended by adding Section 7.026 to read as follows:

Sec. 7.026. TEXAS MUSIC FOUNDATION ACCOUNT. (a) The Texas Music Foundation account is established as a separate account in the general revenue fund. The account is composed of money deposited to the credit of the account under Section 504.639, Transportation Code. Money in the account may be used only for the purposes of this section.

(b) The Music, Film, Television, and Multimedia Office in the governor's office shall administer the account. The agency may spend money credited to the account only to make grants to benefit music-related educational and community programs sponsored by nonprofit organizations based in this state. An administration fee of \$5 per license plate shall be retained by the Music, Film, Television, and Multimedia Office for performance of administrative duties.

SECTION 5. Chapter 162, Health and Safety Code, is amended by adding Sections 162.016 and 162.017 to read as follows:

Sec. 162.016. BE A BLOOD DONOR ACCOUNT. (a) The Be a Blood Donor account is a separate account in the general revenue fund. The account is composed of:

(1) money deposited to the credit of the account under Section 504.641, Transportation Code; and

(2) gifts, grants, donations, and legislative appropriations.

(b) The department administers the account and may spend money credited to the account only to:

(1) make grants to nonprofit blood centers in this state for programs to recruit and retain volunteer blood donors; and

(2) defray the cost of administering the account.

(c) The board:

(1) may accept gifts, grants, and donations from any source for the benefit of the account; and

(2) by rule shall establish guidelines for spending money credited to the account.

Sec. 162.017. BE A BLOOD DONOR ADVISORY COMMITTEE. (a) The commissioner shall appoint a five-member Be a Blood Donor Advisory Committee composed of:

(1) one volunteer blood donor who has given at least one gallon of blood in the two years preceding the appointment;

(2) two representatives from nonprofit blood centers;

(3) one person who has received a blood transfusion in the five years preceding the appointment; and

(4) one representative from the department.

(b) The commissioner shall designate one member as presiding officer of the committee.

(c) The committee shall:

(1) meet at least annually or as called by the commissioner;

(2) assist the board in establishing guidelines for the expenditure of money credited to the Be a Blood Donor account; and

(3) review and make recommendations to the department on applications submitted to the department for grants funded with money credited to the Be a Blood Donor account.

(d) Members of the committee serve without compensation and are not entitled to reimbursement for expenses. Members of the committee serve staggered four-year terms, with the terms of as near one-half as possible of the members expiring on January 31 of each even-numbered year.

SECTION 6. (a) Subchapter F, Chapter 502, Transportation Code, is repealed.

(b) The repeal of Section 502.273, Transportation Code, by this Act does not affect the validity of license plates already issued under that section, which shall be governed under Section 504.801, Transportation Code, as added by this Act.

SECTION 7. Notwithstanding Subsection (a), Section 504.403, Transportation Code, as added by this Act, a retired state or federal judge who applied for or was issued state judge or federal judge license plates under Section 502.297, Transportation Code, as that law existed before the effective date of this Act, is entitled to apply for and to be issued state judge license plates or federal judge license plates, as applicable, under Section 504.403, Transportation Code, as added by this Act.

SECTION 8. (a) This section shall be implemented only if the Legislative Budget Board determines that this Act would otherwise reduce the amount of money allocated to the general revenue fund from the issuance by the Texas Department of Transportation of specialty license plates during fiscal years 2004 and 2005 relative to the amount of money allocated to the general revenue fund from the issuance by that department of specialized license plates during fiscal years 2002 and 2003.

(b) The Texas Department of Transportation shall reduce the amount of fees allocated to the department's administrative costs and allocate that amount to general revenue for deposit to the credit of the accounts specified in each section of Chapter 504, Transportation Code, as added by this Act. The amount of the reduction and reallocation shall be the amount necessary to ensure that sums allocated to the general revenue fund are not reduced as specified in Subsection (a) of this section. The reduction in administrative costs shall be taken proportionately from each specialty plate so that each will be reduced by the same percentage amount.

(c) This section expires September 1, 2005.

SECTION 8. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.

Amendment No. 2 was withdrawn.

SB 1715 - POINT OF ORDER

Representative Dukes raised a point of order against further consideration of **SB 1715** under Rule 4, Section 32(c)(3) of the House Rules on the grounds that the bill analysis does not contain a statement of rulemaking authority.

(J. Keffer in the chair)

The chair sustained the point of order.

The ruling precluded further consideration of **SB 1715**.

SB 1325 ON SECOND READING
(King - House Sponsor)

SB 1325, A bill to be entitled An Act relating to renewable energy credit for converting solid waste into electric energy.

SB 1325 - POINT OF ORDER

Representative Rodriguez raised a point of order against further consideration of **SB 1325** under Rule 4, Section 32(c)(3) of the House Rules on the grounds that the bill analysis does not contain a statement of rulemaking authority.

(Speaker in the chair)

The speaker sustained the point of order.

The ruling precluded further consideration of **SB 1325**.

SB 4 ON SECOND READING
(Morrison - House Sponsor)

SB 4, A bill to be entitled An Act relating to the establishment and operation of the Texas B-On-time student loan program; authorizing the issuance of bonds.

Amendment No. 1

Representative Mercer offered the following amendment to **SB 4**:

Amend **SB 4** (House Committee Report) as follows:

(1) In SECTION 1 of the bill, in added Subdivision (1), Section 56.455, Education Code (page 2, line 26), between "Chapter 54" and the semicolon, insert ", except as provided by Subdivision (2)(B) of this section".

(2) In SECTION 1 of the bill, at the end of added Paragraph (A), Subdivision (2), Section 56.455, Education Code (page 3, line 4), strike "; or".

(3) In SECTION 1 of the bill, immediately following added Paragraph (A), Subdivision (2), Section 56.455, Education Code (page 3, between lines 4 and 5), insert the following:

"(B) be a graduate of a high school operated by the United States Department of Defense who:

(i) at the time of graduation lived with a parent or parents stationed outside the United States; and

(ii) is a resident of this state for purposes of Subchapter B, Chapter 54, or intends to become a resident of this state; or"

(4) In SECTION 1 of the bill, in added Paragraph (B), Subdivision (2), Section 56.455, Education Code (page 3, line 5), strike "(B)" and substitute "(C)".

Amendment No. 1 was adopted without objection.

Amendment No. 2

Representative Morrison offered the following amendment to **SB 4**:

Amend **SB 4** by adding the following appropriately numbered SECTION and renumbering the other SECTIONS of the bill accordingly:

SECTION _____. Subchapter A, Chapter 130, Education Code, is amended by adding Section 130.0012 to read as follows:

Sec. 130.0012. PILOT PROJECT: BACCALAUREATE DEGREE PROGRAMS. (a) The Texas Higher Education Coordinating Board shall establish a pilot project to examine the feasibility and effectiveness of authorizing public junior colleges to offer baccalaureate degree programs in the fields of applied science and applied technology. Participation in the pilot project does not otherwise alter the role and mission of a public junior college.

(b) The coordinating board shall operate the pilot project at the following public junior colleges:

(1) Brazosport College;

(2) El Centro College of the Dallas County Community College

District;

(3) Midland College;

(4) North Harris Montgomery Community College District; and

(5) South Texas Community College.

(c) A public junior college participating in the pilot project must meet all applicable accreditation requirements of the Commission on Colleges of the Southern Association of Colleges and Schools.

(d) A public junior college participating in the pilot project may not offer more than five baccalaureate degree programs under the project at any time. The degree programs are subject to the continuing approval of the coordinating board. In determining what baccalaureate degree programs are to be offered, the junior college and the coordinating board shall consider:

(1) the need for the degree programs in the region served by the junior college;

(2) how those degree programs would complement the other programs and course offerings of the junior college;

(3) whether those degree programs would unnecessarily duplicate the degree programs offered by other institutions of higher education; and

(4) the ability of the junior college to support the program and the adequacy of the junior college's facilities, faculty, administration, libraries, and other resources.

(e) Each public junior college that offers a baccalaureate degree program under the pilot project must enter into an articulation agreement with one or more general academic teaching institutions to ensure that students enrolled in the degree program have an opportunity to complete the degree if the public junior college ceases to offer the degree program. The coordinating board may require a general academic teaching institution that offers a comparable degree program to enter into an articulation agreement with the public junior college as provided by this subsection.

(f) In its recommendations to the legislature relating to state funding for public junior colleges, the coordinating board shall recommend that a public junior college receive substantially the same state support for junior-level and senior-level courses offered under the pilot project as that provided to a general academic teaching institution for substantially similar courses. In determining the

contact hours attributable to students enrolled in a junior-level or senior-level course offered under the pilot project used to determine a public junior college's proportionate share of state appropriations under Section 130.003, the coordinating board shall weigh those contact hours as necessary to provide the junior college the appropriate level of state support to the extent state funds for those courses are included in the appropriations. This subsection does not prohibit the legislature from directly appropriating state funds to support junior-level and senior-level courses offered under the pilot project.

(g) Each public junior college participating in the pilot project shall prepare a biennial report on the operation and effectiveness of the junior college's baccalaureate degree programs offered under the project and shall deliver a copy of the report to the coordinating board in the form and at the time determined by the coordinating board.

(h) Not later than January 1, 2009, the coordinating board shall prepare a progress report on the pilot project. Not later than January 1, 2011, the coordinating board shall prepare a report on the effectiveness of the pilot project, including any recommendations for legislative action regarding the offering of baccalaureate degree programs by public junior colleges. The coordinating board shall deliver a copy of each report to the governor, the lieutenant governor, the speaker of the house of representatives, and the chair of the standing committee of each house of the legislature with primary jurisdiction over higher education.

(i) Unless the authority to continue offering the baccalaureate degree programs is continued by the legislature, a public junior college may not:

(1) enroll a new student in a baccalaureate degree program under the pilot project after the 2011 fall semester;

(2) offer junior-level or senior-level courses for those degree programs after the 2015 fall semester, unless the coordinating board authorizes the college to offer those courses; or

(3) award a baccalaureate degree under the pilot project after the 2015 fall semester, unless the coordinating board approves the awarding of the degree.

(j) The coordinating board shall prescribe procedures to ensure that each public junior college that offers a degree program under the pilot project informs each student who enrolls in the degree program of:

(1) the nature of the pilot project, including the limited duration of the project; and

(2) the articulation agreement entered into under Subsection (e) for the student's degree program.

(k) This section expires January 1, 2020.

Amendment No. 2 was adopted without objection.

SB 4, as amended, was passed to third reading.

POSTPONED BUSINESS

The following bills were laid before the house as postponed business:

SB 970 ON SECOND READING
(Puente - House Sponsor)

SB 970, A bill to be entitled An Act relating to the sale or transport of certain desert plants; providing a penalty.

SB 970 was read second time earlier today and was postponed until 11 p.m.

Amendment No. 2

Representative Puente offered the following amendment to **SB 970**:

Amend **SB 970** in SECTION 1 of the bill, in added Chapter 122, Agriculture Code (House Committee Printing, page 1, between lines 18 and 19) by inserting the following:

Sec. 122.0011. APPLICABILITY. This chapter applies only to a county all or part of which is located in the Chihuahua Desert.

Amendment No. 2 was adopted without objection.

Amendment No. 3

Representative Miller offered the following amendment to **SB 970**:

Amend **SB 970** as follows:

(1) In SECTION 1 of the bill, strike Section 122.003, Agriculture Code (Committee printing, page 1, lines 22-24, and page 2, lines 1-3), and substitute the following:

Sec. 122.003. REQUIREMENTS FOR SALE OR TRANSPORT. Unless a person is registered as provided by Section 122.004, a person may not:

- (1) sell the plant;
- (2) offer the plant for sale; or
- (3) transport the plant out of this state.

(2) In SECTION 1 of the bill, strike Sections 122.005, 122.006, 122.007 and 122.008(a), Agriculture Code (Committee printing, page 2, lines 16-27, and page 3, lines 1-9), and substitute the following:

Sec. 122.005. STOP-SALE ORDER. In enforcing this chapter, the department may issue and enforce a written or printed order to stop the sale of a desert plant or a shipment of desert plants sold or transported by a person who is not registered as provided by Section 122.004. If an order is issued, a person may not sell the plant or shipment until the person has been properly registered.

Sec. 122.006. AUTHORITY TO SEIZE PLANTS. In enforcing this chapter, the department with or without process may seize a desert plant or a shipment of desert plants that is intended:

- (1) for sale or shipment by a person who is not registered as provided by Section 122.004; and
- (2) for transfer out of this state.

Sec. 122.007. PENALTY. (a) A person commits an offense if the person:

- (1) advertises, sells, or offers for sale a desert plant or a shipment of desert plants; and
- (2) the person is not registered as provided by Section 122.004.

Amendment No. 3 was adopted without objection.

SB 970, as amended, was passed to third reading.

SB 319 ON SECOND READING
(Allen - House Sponsor)

SB 319, A bill to be entitled An Act relating to the death of or injury to an unborn child; providing penalties.

Amendment No. 1

Representative Farrar offered the following amendment to **SB 319**:

Amend **SB 319** (house committee printing) as follows:

(1) In SECTION 1.01 of the bill, in added Section 71.001(4), Civil Practice and Remedies Code, strike "fertilization" (page 1, line 12) and substitute "viability".

(2) In SECTION 2.01 of the bill, in amended Section 1.07(a)(26), Penal Code, strike "fertilization" (page 2, line 24) and substitute "viability".

Representative Allen moved to table Amendment No. 1.

A record vote was requested.

The motion to table prevailed by (Record 743): 89 Yeas, 9 Nays, 4 Present, not voting.

Yeas — Allen; Baxter; Berman; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Callegari; Campbell; Casteel; Chisum; Christian; Cook, B.; Cook, R.; Corte; Crabb; Crownover; Davis, J.; Dawson; Delisi; Denny; Deshotel; Driver; Eissler; Elkins; Ellis; Farabee; Flynn; Gattis; Geren; Goodman; Goolsby; Griggs; Grusendorf; Haggerty; Hamilton; Hardcastle; Hartnett; Hegar; Hilderbran; Howard; Hughes; Hunter; Hupp; Isett; Jones, D.; Jones, E.; Keel; Keffer, B.; Keffer, J.; King; Kolkhorst; Kuempel; Laney; Laubenberg; Lewis; Madden; Marchant; McCall; McReynolds; Mercer; Merritt; Miller; Morrison; Mowery; Nixon; Olivo; Paxton; Phillips; Pickett; Puente; Reyna; Riddle; Ritter; Seaman; Smith, T.; Smith, W.; Smithee; Solomons; Stick; Swinford; Talton; Taylor; Truitt; Van Arsdale; West; Wohlgemuth; Zedler.

Nays — Capelo; Dukes; Dunnam; Farrar; Homer; Menendez; Moreno, J.; Raymond; Wilson.

Present, not voting — Mr. Speaker(C); Garza; Gutierrez; Jones, J.

Absent, Excused — Hope.

Absent, Excused, Committee Meeting — Heflin.

Absent — Alonzo; Bailey; Burnam; Canales; Castro; Chavez; Coleman; Davis, Y.; Dutton; Edwards; Eiland; Escobar; Flores; Gallego; Giddings; Guillen; Hamric; Harper-Brown; Hill; Hochberg; Hodge; Hopson; Krusee; Luna; Mabry; Martinez Fischer; McClendon; Moreno, P.; Naishtat; Noriega; Oliveira; Peña; Pitts; Quintanilla; Rodriguez; Rose; Solis; Telford; Thompson; Turner; Uresti; Villarreal; Wise; Wolens; Wong; Woolley.

STATEMENTS OF VOTE

When Record No. 743 was taken, my vote failed to register. I would have voted no.

Canales

When Record No. 743 was taken, my vote failed to register. I would have voted no.

Edwards

When Record No. 743 was taken, I was temporarily out of the house chamber. I would have voted yes.

Gallego

When Record No. 743 was taken, I was in the house but away from my desk. I would have voted no.

Giddings

When Record No. 743 was taken, I was in the house but away from my desk. I would have voted no.

Guillen

When Record No. 743 was taken, I was temporarily out of the house chamber. I would have voted yes.

Hamric

I was shown voting no on Record No. 743. I intended to vote yes.

Homer

When Record No. 743 was taken, I was in the house but away from my desk. I would have voted no.

Peña

When Record No. 743 was taken, I was in the house but away from my desk. I would have voted yes.

Rose

When Record No. 743 was taken, I was temporarily out of the house chamber. I would have voted yes.

Solis

When Record No. 743 was taken, my vote failed to register. I would have voted no.

Turner

Amendment No. 2

Representative Castro offered the following amendment to **SB 319**:

Amend **SB 319** (House Committee Report) as follows:

(1) In ARTICLE 1 of the bill, immediately following SECTION 1.02 (page 2, between lines 11 and 12), add the following SECTION, and renumber subsequent SECTIONS of the ARTICLE appropriately:

SECTION 1.03. Subchapter A, Chapter 71, Civil Practice and Remedies Code, is amended by adding Section 71.0055 to read as follows:

Sec. 71.0055. EVIDENCE OF PREGNANCY. In an action under this subchapter for the death of an individual who is an unborn child, the plaintiff shall —provide medical or other evidence that the mother of the individual was pregnant at the time of the individual's death.

(2) In ARTICLE 2 of the bill, immediately following SECTION 2.05 (page 4, between lines 9 and 10), add the following SECTION and renumber subsequent SECTIONS of the ARTICLE appropriately:

SECTION 2.06. Chapter 38, Code of Criminal Procedure, is amended by adding Section 38.40 to read as follows:

Sec. 38.40. EVIDENCE OF PREGNANCY. (a) In a prosecution for the death of or injury to an individual who is an unborn child, the prosecution shall provide medical or other evidence that the mother of the individual was pregnant at the time of the alleged offense.

(b) For the purpose of this section, "individual" has the meaning assigned by Section 1.07, Penal Code.

Amendment No. 2 was adopted without objection.

Amendment No. 3

Representative Deshotel offered the following amendment to **SB 319**:

Amend **SB 319** (house committee printing) as follows:

(1) In Section 2.02, strike added Section 19.06, Penal Code (page 3, lines 2-12), and substitute the following:

Sec. 19.06. APPLICABILITY TO CERTAIN CONDUCT. This chapter does not apply to the death of an unborn child if the conduct charged is:

(1) conduct committed by the mother of the unborn child;

(2) a lawful medical procedure performed by a physician or other licensed health care provider with the requisite consent, if the death of the unborn child was the intended result of the procedure; or

(3) the dispensation of a drug in accordance with law or administration of a drug prescribed in accordance with law.

(2) In Section 2.04, strike added Section 22.12, Penal Code (page 3, line 21, through page 4, line 3), and substitute the following:

Sec. 22.12. APPLICABILITY TO CERTAIN CONDUCT. This chapter does not apply to conduct charged as having been committed against an individual who is an unborn child if the conduct is:

(1) committed by the mother of the unborn child;

(2) a lawful medical procedure performed by a physician or other health care provider with the requisite consent; or

(3) the dispensation of a drug in accordance with law or administration of a drug prescribed in accordance with law.

(3) In Section 2.05, strike added Section 49.12, Penal Code (page 4, lines 6-9), and substitute the following:

Sec. 49.12. APPLICABILITY TO CERTAIN CONDUCT. Sections 49.07 and 49.08 do not apply to injury to or the death of an unborn child if the conduct charged is conduct committed by the mother of the unborn child.

(Heflin now present)

Amendment No. 4

Representative Goodman offered the following amendment to Amendment No. 3:

Amend the Deshotel Amendment to **SB 319** (House Committee Printing) as follows:

(1) In SECTION 2.02 of the bill, at the end of added Section 19.06(2), Penal Code (page 3, line 10), strike "or".

(2) In SECTION 2.02 of the bill, in added Section 19.06(3), Penal Code, between "(3)" and "the" (page 3, line 11), insert:

"a lawful medical procedure performed by a physician or other licensed health care provider with the requisite consent as part of an assisted reproduction as defined by Section 160.102, Family Code; or

(4)".

(3) In SECTION 2.04 of the bill, at the end of added Section 22.12(2), Penal Code (page 4, line 1), strike "or".

(4) In SECTION 2.04 of the bill, in added Section 22.12(3), Penal Code, between "(3)" and "the" (page 4, line 2), insert:

"a lawful medical procedure performed by a physician or other licensed health care provider with the requisite consent as part of an assisted reproduction as defined by Section 160.102, Family Code; or

(4)".

Amendment No. 4 was adopted without objection.

A record vote was requested.

Amendment No. 3, as amended, was adopted by (Record 744): 101 Yeas, 0 Nays, 3 Present, not voting.

Yeas — Allen; Alonzo; Bailey; Baxter; Berman; Bohac; Bonnen; Branch; Brown, F.; Callegari; Campbell; Casteel; Chisum; Cook, B.; Cook, R.; Corte; Crabb; Dawson; Delisi; Denny; Deshotel; Driver; Edwards; Eiland; Eissler; Elkins; Ellis; Farabee; Flynn; Garza; Gattis; Geren; Goodman; Goolsby; Griggs; Grusendorf; Haggerty; Hamilton; Hamric; Hardcastle; Harper-Brown; Hartnett; Heflin; Hegar; Hilderbran; Hill; Homer; Howard; Hughes; Hunter; Hupp; Isett; Jones, D.; Jones, J.; Keel; Keffer, B.; Keffer, J.; King; Kolkhorst; Krusee; Kuempel; Laney; Laubenberg; Lewis; Luna; Madden; Marchant; McCall; McReynolds; Menendez; Mercer; Merritt; Miller; Morrison; Nixon; Olivo; Paxton; Phillips; Pickett; Pitts; Puente; Quintanilla; Reyna; Riddle; Ritter; Seaman; Smith, T.; Smith, W.; Smithee; Solomons; Stick; Swinford; Talton; Taylor; Truitt; Van Arsdale; West; Wilson; Wohlgemuth; Wong; Zedler.

Present, not voting — Mr. Speaker(C); Capelo; Farrar.

Absent, Excused — Hope.

Absent — Brown, B.; Burnam; Canales; Castro; Chavez; Christian; Coleman; Crownover; Davis, J.; Davis, Y.; Dukes; Dunnam; Dutton; Escobar; Flores; Gallego; Giddings; Guillen; Gutierrez; Hochberg; Hodge; Hopson; Jones, E.; Mabry; Martinez Fischer; McClendon; Moreno, J.; Moreno, P.; Mowery; Naishtat; Noriega; Oliveira; Peña; Raymond; Rodriguez; Rose; Solis; Telford; Thompson; Turner; Uresti; Villarreal; Wise; Wolens; Woolley.

STATEMENTS OF VOTE

When Record No. 744 was taken, I was in the house but away from my desk. I would have voted yes.

B. Brown

When Record No. 744 was taken, I was temporarily out of the house chamber. I would have voted yes.

Gallego

When Record No. 744 was taken, I was in the house but away from my desk. I would have voted yes.

Guillen

When Record No. 744 was taken, I was in the house but away from my desk. I would have voted yes.

Peña

When Record No. 744 was taken, I was temporarily out of the house chamber. I would have voted yes.

Raymond

When Record No. 744 was taken, I was in the house but away from my desk. I would have voted yes.

Rose

When Record No. 744 was taken, I was temporarily out of the house chamber. I would have voted yes.

Solis

When Record No. 744 was taken, my vote failed to register. I would have voted yes.

Turner

A record vote was requested.

SB 319, as amended, was passed to third reading by (Record 745): 100 Yeas, 1 Nay, 2 Present, not voting.

Yeas — Allen; Berman; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Callegari; Campbell; Casteel; Chisum; Christian; Cook, B.; Cook, R.; Corte; Crabb; Dawson; Delisi; Denny; Deshotel; Driver; Edwards; Eiland; Eissler; Elkins; Ellis; Farabee; Flynn; Garza; Gattis; Geren; Goodman; Goolsby; Griggs; Grusendorf; Haggerty; Hamilton; Hamric; Hardcastle; Hartnett; Heflin; Hegar; Hilderbran; Hill; Homer; Howard; Hughes; Hunter; Hupp; Isett; Jones, D.; Jones, J.; Keel; Keffer, B.; Keffer, J.; King; Kolkhorst; Krusee; Kuempel; Laney; Laubenberg; Lewis; Madden; Marchant; McCall; McReynolds; Menendez; Mercer; Merritt; Miller; Morrison; Mowery; Nixon; Olivo; Paxton; Phillips; Pickett; Pitts; Puente; Quintanilla; Reyna; Riddle; Ritter; Seaman; Smith, T.; Smith, W.; Smithee; Solomons; Stick; Swinford; Talton; Taylor; Truitt; Turner; Van Arsdale; West; Wilson; Wohlgemuth; Wong; Zedler.

Nays — Farrar.

Present, not voting — Mr. Speaker(C); Capelo.

Absent, Excused — Hope.

Absent — Alonzo; Bailey; Baxter; Burnam; Canales; Castro; Chavez; Coleman; Crownover; Davis, J.; Davis, Y.; Dukes; Dunnam; Dutton; Escobar; Flores; Gallego; Giddings; Guillen; Gutierrez; Harper-Brown; Hochberg; Hodge; Hopson; Jones, E.; Luna; Mabry; Martinez Fischer; McClendon; Moreno, J.; Moreno, P.; Naishtat; Noriega; Oliveira; Peña; Raymond; Rodriguez; Rose; Solis; Telford; Thompson; Uresti; Villarreal; Wise; Wolens; Woolley.

STATEMENTS OF VOTE

When Record No. 745 was taken, my vote failed to register. I would have voted yes.

Baxter

I was shown voting present, not voting on Record No. 745. I intended to vote no.

Capelo

When Record No. 745 was taken, I was temporarily out of the house chamber. I would have voted yes.

Gallego

When Record No. 745 was taken, I was in the house but away from my desk. I would have voted yes.

Guillen

When Record No. 745 was taken, my vote failed to register. I would have voted yes.

Harper-Brown

When Record No. 745 was taken, I was temporarily out of the house chamber. I would have voted yes.

Hopson

When Record No. 745 was taken, I was in the house but away from my desk. I would have voted no.

Peña

When Record No. 745 was taken, I was temporarily out of the house chamber. I would have voted yes.

Raymond

When Record No. 745 was taken, I was in the house but away from my desk. I would have voted yes.

Rose

When Record No. 745 was taken, I was temporarily out of the house chamber. I would have voted yes.

Solis

When Record No. 745 was taken, I was in the house but away from my desk. I would have voted yes.

Uresti

When Record No. 745 was taken, I was in the house but away from my desk. I would have voted no.

Villarreal

**CSSB 1828 ON SECOND READING
(Swinford - House Sponsor)**

CSSB 1828, A bill to be entitled An Act relating to the composition and duties of the State Soil and Water Conservation Board.

CSSB 1828 was passed to third reading. (Farabee, Homer, and J. Keffer recorded voting no)

LEAVES OF ABSENCE GRANTED

The following member was granted leave of absence for the remainder of today because of illness:

Crownover on motion of Madden.

The following member was granted leave of absence for the remainder of today because of important business in the district:

J. Davis on motion of Hupp.

**SB 671 ON SECOND READING
(Wohlgemuth - House Sponsor)**

SB 671, A bill to be entitled An Act relating to the determination of school district property values and the accountability of appraisal district operations.

Amendment No. 1

Representative Wohlgemuth offered the following amendment to **SB 671**:

Amend **SB 671** by striking all below the enacting clause and substituting the following:

SECTION 1. Title 1, Tax Code, is amended by adding Subtitle G to read as follows:

SUBTITLE G. DETERMINATION OF SCHOOL DISTRICT PROPERTY
VALUES
AND APPRAISAL DISTRICT ACCOUNTABILITY
CHAPTER 51. DETERMINATION OF SCHOOL DISTRICT PROPERTY
VALUES AND APPRAISAL DISTRICT ACCOUNTABILITY
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 51.01. PURPOSE. It is the policy of this state to ensure equity among taxpayers in the burden of school district taxes and among school districts in the distribution of state financial aid for public education. The purpose of this chapter is to promote that policy by providing for uniformity in local property appraisal practices and procedures and for determining property values for schools in order to distribute state funding equitably.

Sec. 51.02. DEFINITIONS. In this chapter:

(1) "Annual study" means a study conducted under Section 51.21.

(2) "Eligible school district" means a school district for which the commissioner has determined the following:

(A) in the most recent annual study, the local value is invalid under Section 51.21(c) and does not exceed the state value for the school district determined in the annual study;

(B) in the annual study for each of the two years preceding the most recent annual study, the school district's local value was valid; and

(C) in the most recent annual study, the aggregate local value of all of the categories of property sampled by the commissioner is not less than 95 percent of the lower limit of the margin of error as determined by the commissioner of the aggregate value as determined by the commissioner of all of the categories of property sampled by the commissioner.

(3) "Local value" means the market value of property in a school district as determined by the appraisal district that appraises property for the school district, less the total amounts and values listed in Section 51.21(d) as determined by that appraisal district.

(4) "Ratio study" means a study conducted under Section 51.41.

(5) "State value" means the value of property in a school district as determined in the annual study as provided by Section 51.21(c).

[Sections 51.03-51.20 reserved for expansion]

SUBCHAPTER B. DETERMINATION OF SCHOOL DISTRICT PROPERTY
VALUES

Sec. 51.21. DETERMINATION OF SCHOOL DISTRICT PROPERTY VALUES. (a) The commissioner shall conduct an annual study to determine the total taxable value of all property in each school district. The annual study shall determine the total taxable value of all property and of each category of property in each school district. The annual study shall also determine the productivity

value of all land designated as agricultural, open-space, or timber land under Chapter 23. The commissioner shall make appropriate adjustments in the study to account for actions taken under Chapter 41, Education Code.

(b) In conducting the annual study, the commissioner shall determine the taxable value of property in each school district:

(1) using, if appropriate, samples selected through generally accepted sampling techniques;

(2) according to generally accepted standard valuation, statistical compilation, and analysis techniques;

(3) ensuring that different levels of appraisal on sold and unsold property do not adversely affect the accuracy of the study; and

(4) using current technology and techniques in appraising commercial personal property.

(c) If after conducting the annual study the commissioner determines that the local value for a school district is valid, the local value is presumed to represent taxable value for the school district. In the absence of that presumption, taxable value for a school district is the state value for the school district determined in the annual study under Subsections (a) and (b), unless the local value exceeds the state value, in which case the taxable value for the school district is the district's local value.

(d) For purposes of this section, "taxable value" means the market value of all taxable property less:

(1) the total dollar amount of any residence homestead exemptions lawfully granted under Section 11.13(b) or (c) in the year that is the subject of the study for each school district;

(2) one-half of the total dollar amount of any residence homestead exemptions granted under Section 11.13(n) in the year that is the subject of the study for each school district;

(3) the total dollar amount of any exemptions granted before May 31, 1993, within a reinvestment zone under agreements authorized by Chapter 312;

(4) subject to Subsection (e), the total dollar amount of any captured appraised value of property that:

(A) is within a reinvestment zone created on or before May 31, 1999, or is proposed to be included within the boundaries of a reinvestment zone as the boundaries of the zone and the proposed portion of tax increment paid into the tax increment fund by a school district are described in a written notification provided by the municipality or the board of directors of the zone to the governing bodies of the other taxing units in the manner provided by Section 311.003(e) before May 31, 1999, and within the boundaries of the zone as those boundaries existed on September 1, 1999, including subsequent improvements to the property regardless of when made;

(B) generates taxes paid into a tax increment fund created under Chapter 311 under a reinvestment zone financing plan approved under Section 311.011(d) on or before September 1, 1999; and

(C) is eligible for tax increment financing under Chapter 311;

(5) the total dollar amount of any exemptions granted under Section 11.251;

(6) the difference between the commissioner's determination of the market value and the productivity value of land that qualifies for appraisal on the basis of its productive capacity under Chapter 23;

(7) the portion of the appraised value of residence homesteads of the elderly on which school district taxes are not imposed in the year that is the subject of the study, calculated as if the residence homesteads were appraised at the full value required by law;

(8) a portion of the market value of property not otherwise fully taxable by the district at market value because of:

(A) action required by statute or the constitution of this state that, if the tax rate adopted by the district is applied to it, produces an amount equal to the difference between the tax that the district would have imposed on the property if the property were fully taxable at market value and the tax that the district is actually authorized to impose on the property, if this subsection does not otherwise require that portion to be deducted; or

(B) action taken by the district under Subchapter B or C, Chapter 313;

(9) the market value of all tangible personal property, other than manufactured homes, owned by a family or individual and not held or used for the production of income;

(10) the appraised value of property for which the collection of delinquent taxes is deferred under Section 33.06;

(11) the portion of the appraised value of property for which the collection of delinquent taxes is deferred under Section 33.065; and

(12) the amount by which the market value of a residence homestead to which Section 23.23 applies exceeds the appraised value of that property as calculated under that section.

(e) The total dollar amount deducted in each year as required by Subsection (d)(3) in a reinvestment zone created after January 1, 1999, may not exceed the captured appraised value estimated for that year as required by Section 311.011(c)(8) in the reinvestment zone financing plan approved under Section 311.011(d) before September 1, 1999. The number of years for which the total dollar amount may be deducted under Subsection (d)(3) shall for any zone, including those created on or before January 1, 1999, be limited to the duration of the zone as specified as required by Section 311.011(c)(9) in the reinvestment zone financing plan approved under Section 311.011(d) before September 1, 1999. The total dollar amount deducted under Subsection (d)(3) for any zone, including a zone created on or before January 1, 1999, may not be increased by any reinvestment zone financing plan amendments that occur after August 31, 1999. The total dollar amount deducted under Subsection (d)(3) for any zone, including a zone created on or before January 1, 1999, may not be increased by a change made after August 31, 1999, in the portion of the tax increment retained by the school district.

(f) The annual study shall determine the school district values as of January 1 of each study year.

(g) If after conducting the annual study for the year 2003 or a subsequent year the commissioner determines that a school district is an eligible school district, for that year and the following year the taxable value for the school district is the district's local value. Not later than the first anniversary of the date of the determination that a school district is an eligible school district, the commissioner shall complete an appraisal standards review as provided by Section 51.42 of each appraisal district that appraises property for the school district.

(h) If the commissioner determines in the annual study conducted for the year 2002 or 2003 that the taxable value for a school district is the local value because the local value is invalid and exceeds the state value, the commissioner of education shall compute the amount by which the funding under Chapter 42, Education Code, of the school district is reduced for the 2003-2004 and 2004-2005 school years, respectively, because of the use of local value rather than state value as taxable value. For each of those school years, the commissioner of education shall allocate an amount equal to the amount of the reduction for that school year to the school districts that receive funding under Chapter 42, Education Code, whose taxable value for the applicable year is the state value, and whose maintenance and operations tax rate for the applicable year exceeds \$1.42 on the \$100 valuation of taxable property. The allocation shall be made in proportion to the amount of funding under Chapter 42, Education Code, that each of those school districts would otherwise have received in that year. This subsection expires September 30, 2005.

(i) The commissioner shall publish preliminary findings, listing values by school district, before February 1 of the year following the study year. Preliminary findings shall be delivered to each school district and shall be certified to the commissioner of education.

(j) For purposes of Section 42.2511, Education Code, the commissioner shall certify to the commissioner of education:

(1) a final value for each school district computed on a residence homestead exemption under Section 1-b(c), Article VIII, Texas Constitution, of \$5,000; and

(2) a final value for each school district computed on:

(A) a residence homestead exemption under Section 1-b(c), Article VIII, Texas Constitution, of \$15,000; and

(B) the effect of the additional limitation on tax increases under Section 1-b(d), Article VIII, Texas Constitution.

(k) For purposes of Section 42.2522, Education Code, the commissioner shall certify to the commissioner of education:

(1) a final value for each school district computed without any deduction for residence homestead exemptions granted under Section 11.13(n); and

(2) a final value for each school district computed after deducting one-half the total dollar amount of residence homestead exemptions granted under Section 11.13(n).

Sec. 51.22. ADMINISTRATIVE AND JUDICIAL REVIEW. (a) A school district, or a property owner whose property is included in the annual study and whose tax liability on the property is \$100,000 or more, may protest the commissioner's findings by filing a petition with the commissioner. The petition must be filed not later than the 40th day after the date on which the commissioner's findings are certified to the commissioner of education and must include specific pleadings stating the legal and appraisal issues in dispute and the value claimed to be correct.

(b) On receipt of a petition, the commissioner shall hold a hearing. The commissioner has the burden to prove the accuracy of the findings. Until a final decision is made by the commissioner, the taxable value of property in the district is determined, with respect to the property subject to the protest, according to the value of the property claimed by the school district or property owner, except that the value to be used while a final decision is pending may not be less than the value of the property as listed on the school district's appraisal roll for the year of the study. If after the hearing the commissioner concludes that the findings should be changed, the commissioner shall order the appropriate changes and shall certify the changes to the commissioner of education. The commissioner shall complete all protest hearings and certify all changes as necessary to comply with Chapter 42, Education Code. A hearing conducted under this subsection is not a contested case for purposes of Section 2001.003, Government Code.

(c) The commissioner shall adopt procedural rules governing the conduct of protest hearings. The rules shall provide for each protesting school district and property owner to:

(1) be informed of the requirements for submitting a petition initiating a protest;

(2) receive adequate notice of a hearing;

(3) have an opportunity to present evidence and oral argument; and

(4) be given notice by the commissioner of the commissioner's decision on the hearing.

(d) A protesting school district may appeal a determination of protest by the commissioner to a district court in Travis County by filing a petition with the court. An appeal must be filed not later than the 30th day after the date the school district receives notice from the commissioner of the determination. Review is conducted by the court sitting without a jury. The court shall remand the determination to the commissioner if on review the court discovers that substantial rights of the school district have been prejudiced and that:

(1) the commissioner has acted arbitrarily and without regard to the facts; or

(2) the determination of the commissioner is not reasonably supported by substantial evidence introduced before the court.

Sec. 51.23. AUDIT. (a) On request of a school district or the commissioner of education, the commissioner may audit the total taxable value of property in a school district and may revise the annual study findings. The request for audit is limited to corrections and changes in a school district's appraisal roll that occurred after preliminary certification of the annual study findings by the commissioner.

(b) Except as provided by Subsection (c), the request for audit must be filed with the commissioner not later than the third anniversary of the date of the final certification of the annual study findings.

(c) The request for audit may be filed not later than the first anniversary of the date the chief appraiser certifies a change to the appraisal roll if:

(1) the chief appraiser corrects the appraisal roll under Section 25.25 or 42.41; and

(2) the change results in a material reduction in the total taxable value of property in the school district.

(d) The commissioner shall certify the findings of the audit to the commissioner of education.

Sec. 51.24. CONFIDENTIALITY. (a) All information the commissioner obtains from a person, other than a governmental entity, under an assurance that the information will be kept confidential, in the course of conducting the annual study is confidential and may not be disclosed, except as provided by Subsection (b).

(b) Information made confidential by this section may be disclosed:

(1) in a judicial or administrative proceeding pursuant to a lawful subpoena;

(2) to the person who gave the information to the commissioner; or

(3) for statistical purposes if in a form that does not identify specific property or a specific owner.

[Sections 51.25-51.40 reserved for expansion]

SUBCHAPTER C. DETERMINATION OF APPRAISAL DISTRICT ACCOUNTABILITY

Sec. 51.41. APPRAISAL DISTRICT RATIO STUDY. (a) The commissioner shall conduct a study in each appraisal district for each tax year to determine the degree of uniformity of and the median level of appraisals by the appraisal district within each major category of property for that tax year. In conducting the study, the commissioner shall apply appropriate standard statistical analysis techniques to data collected as part of the annual study of school district property values required by Section 51.21.

(b) The commissioner shall publish a report of the findings of the study, including the median level of appraisal for each major category of property, the coefficient of dispersion around the median level of appraisal for each major category of property, and any other standard statistical measure that the commissioner considers appropriate. A copy of the published report of the commissioner shall be distributed to each member of the legislature and to each appraisal district.

(c) In conducting a study under this section, the commissioner or the commissioner's authorized representatives may enter the premises of a business, trade, or profession and inspect the property to determine the existence and market value of property used for the production of income. An inspection under this subsection must be made during normal business hours or at a time mutually agreeable to the commissioner or the commissioner's authorized representatives and the person in control of the premises.

Sec. 51.42. APPRAISAL STANDARDS REVIEW. (a) The commissioner shall review the appraisal standards, procedures, and methodology used by each appraisal district that appraises property for an eligible school district to determine compliance with generally accepted appraisal standards and practices. The commissioner by rule may establish procedures and standards for conducting the review.

(b) In conducting the review, the commissioner is entitled to access to all records and reports of the appraisal district and to the assistance of the appraisal district's officers and employees.

(c) If the review results in a finding that an appraisal district is not in compliance with generally accepted appraisal standards and practices, the commissioner shall deliver a report that details the commissioner's findings and recommendations for improvement to:

- (1) the appraisal district's chief appraiser and board of directors; and
- (2) the superintendent and board of trustees of each school district participating in the appraisal district.

(d) If the appraisal district fails to comply with the recommendations in the report and the commissioner finds that the board of directors of the appraisal district failed to take remedial action before the first anniversary of the date the report was issued, the commissioner shall notify the judge of each district court in the county for which the appraisal district is established, who shall appoint a board of conservators consisting of five members to implement the recommendations. The board of conservators shall exercise supervision and control over the operations of the appraisal district until the commissioner determines under Section 51.21 that in the same year the taxable value of each school district for which the appraisal district appraises property is the local value for the district. The appraisal district shall bear the costs related to the supervision and control of the district by the board of conservators.

Sec. 51.43. APPRAISAL DISTRICT PERFORMANCE AUDITS. (a) The commissioner shall audit the performance of an appraisal district if one or more of the following conditions exist according to each of two consecutive ratio studies conducted under Section 51.41, regardless of whether the prescribed condition or conditions that exist are the same for each of those studies:

- (1) the overall median level of appraisal for all property in the district for which the commissioner determines a median level of appraisal is less than 0.75;

(2) the coefficient of dispersion around the overall median level of appraisal of the properties used to determine the overall median level of appraisal for all property in the district for which the commissioner determines a median level of appraisal is more than 0.30; or

(3) the difference between the median levels of appraisal for any two classes of property in the district for which the commissioner determines a median level of appraisal is more than 0.45.

(b) At the written request of the governing bodies of a majority of the taxing units participating in an appraisal district or of a majority of the taxing units entitled to vote on the appointment of appraisal district directors, the commissioner shall audit the performance of the appraisal district. The governing bodies may request a general audit of the performance of the appraisal district or may request an audit of only one or more specific duties, practices, functions, departments, or other appraisal district matters.

(c) At the written request of the owners of not less than 10 percent of the number of accounts or parcels of property in an appraisal district belonging to a single class of property, if the class constitutes at least five percent of the appraised value of taxable property within the district in the preceding year, or at the written request of the owners of property representing not less than 10 percent of the appraised value of all property in the district belonging to a single class of property, if the class constitutes at least five percent of the appraised value of taxable property in the district in the preceding year, the commissioner shall audit the performance of the appraisal district. The property owners may request a general audit of the performance of the appraisal district or may request an audit of only one or more specific duties, practices, functions, departments, or other appraisal district matters. A property owner may authorize an agent to sign a request for an audit under this subsection on the property owner's behalf. The commissioner may require a person signing a request for an audit to provide proof that the person is entitled to sign the request as a property owner or as the agent of a property owner.

(d) A request for a performance audit of an appraisal district may not be made under Subsection (b) or (c) if according to each of the two most recently published ratio studies conducted by the commissioner under Section 51.41:

(1) the overall median level of appraisal for all property in the district for which the commissioner determines a median level of appraisal is more than 0.90 and less than 1.10;

(2) the coefficient of dispersion around the overall median level of appraisal of the properties used to determine the overall median level of appraisal for all property in the district for which the commissioner determines a median level of appraisal is less than 0.15; and

(3) the difference between the highest and lowest median levels of appraisal in the district for the classes of property for which the commissioner determines a median level of appraisal is less than 0.20.

(e) A request for a performance audit of an appraisal district may not be made under Subsection (b) or (c):

(1) during the two years following the publication of the second of two consecutive ratio studies according to which the commissioner is required to conduct an audit of the district under Subsection (a); or

(2) during the year immediately following the date the results of an audit of the district conducted by the commissioner under Subsection (a) are reported to the chief appraiser of the district.

(f) For purposes of this section, "class of property" means a major kind of property for which the commissioner determines a median level of appraisal under Section 51.41.

(g) In addition to the performance audits permitted by Subsections (a), (b), and (c) and the appraisal standards review required by Section 51.42, the commissioner may audit an appraisal district to analyze the effectiveness and efficiency of the policies, management, and operations of the appraisal district. The results of the audit shall be delivered in a report that details the commissioner's findings and recommendations for improvement to the appraisal district's chief appraiser and board of directors and to the governing body of each taxing unit participating in the appraisal district. The commissioner may require reimbursement by the appraisal district for some or all of the costs of the audit, not to exceed the actual costs associated with conducting the audit.

Sec. 51.44. ADMINISTRATION OF PERFORMANCE AUDITS. (a) The commissioner shall complete an audit required by Section 51.43(a) not later than the second anniversary of the date of the publication of the second of the two ratio studies the results of which required the audit to be conducted. The commissioner shall complete an audit requested under Section 51.43(b) or (c) as soon as practicable after the request is made. The commissioner shall complete an audit conducted under Section 51.43(g) not later than the first anniversary of the date that it is initiated by the commissioner.

(b) The commissioner may not audit the financial condition of an appraisal district or a district's tax collections. If the request is for an audit limited to one or more particular matters, the commissioner's audit must be limited to those matters.

(c) The commissioner must approve the specific plan for the performance audit of an appraisal district. Before approving an audit plan, the commissioner must provide any interested person an opportunity to appear before the commissioner and to comment on the proposed plan. Not later than the 20th day before the date the commissioner considers the plan for an appraisal district performance audit, the commissioner must notify the presiding officer of the appraisal district's board of directors that the commissioner intends to consider the plan. The notice must include the time, date, and location of the meeting to consider the plan. Immediately after receiving the notice, the presiding officer shall deliver a copy of the notice to the other members of the appraisal district's board of directors.

(d) In conducting a general audit, the commissioner shall consider and report on:

(1) the extent to which the district complies with applicable law and generally accepted standards of appraisal or other relevant practice;

(2) the uniformity and level of appraisal of major kinds of property and the cause of any significant deviation from ideal uniformity and equality of appraisal of major kinds of property;

(3) duplication of effort and efficiency of operation;

(4) the general efficiency, quality of service, and qualification of appraisal district personnel; and

(5) except as otherwise provided by Subsection (b), any other matter included in the request for the audit.

(e) In conducting the audit, the commissioner is entitled to have access at all times to the books, appraisal and other records, reports, vouchers, and other information, confidential or not, of the appraisal district. The commissioner may require the assistance of appraisal district officers and employees that does not interfere significantly with the ordinary functions of the appraisal district. The commissioner may rely on any previous analysis the commissioner has made relating to the appraisal district if the previous analysis is useful or relevant to the audit.

(f) The commissioner shall report the results of the audit in writing to the governing body of each taxing unit that participates in the appraisal district, to the chief appraiser, and to the presiding officer of the appraisal district's board of directors. If the audit was requested under Section 51.43(c), the commissioner shall also provide a report to a representative of the property owners who requested the audit.

(g) If the audit is required or requested under Section 51.43(a) or (b), the appraisal district shall reimburse the commissioner for the costs incurred in conducting the audit and making the commissioner's report of the audit. The costs shall be allocated among the taxing units participating in the district in the same manner as an operating expense of the district. If the audit is requested under Section 51.43(c), the property owners who requested the audit shall reimburse the commissioner for the costs incurred in conducting the audit and making the report of the audit and shall allocate the costs among those property owners in proportion to the appraised value of each property owner's property in the district or on any other basis agreed to by the property owners. If the audit confirms that the median level of appraisal for a class of property exceeds 1.10 or that the median level of appraisal for a class of property varies at least 10 percent from the overall median level of appraisal for all property in the district for which the commissioner determines a median level of appraisal, not later than the 90th day after the date a request is made by the property owners for reimbursement the appraisal district shall reimburse the property owners who requested the audit for the amount paid to the commissioner for the costs incurred in conducting the audit and making the report. Before conducting an audit under Section 51.43(c), the commissioner may require the requesting property owners to provide the commissioner with a bond, deposit, or other financial security sufficient to cover the projected costs of conducting the audit and making the report. For purposes of this subsection, "costs" include expenses related to salaries, professional fees, travel, reproduction or other printing services, and consumable supplies that are directly attributable to conducting the audit.

(h) At any time after the request for an audit is made, the commissioner may discontinue the audit in whole or in part if requested to do so by:

(1) the governing bodies of a majority of the taxing units participating in the district, if the audit was requested by a majority of those units;

(2) the governing bodies of a majority of the taxing units entitled to vote on the appointment of appraisal district directors, if the audit was requested by a majority of those units; or

(3) if the audit was requested under Section 51.43(c), by the property owners who requested the audit.

(i) The commissioner by rule may adopt procedures, audit standards, and forms for the administration of performance audits.

Sec. 51.45. ADMINISTRATIVE PROVISIONS. (a) The commissioner may inspect the records or other materials of an appraisal district or taxing unit, including relevant records and materials in the possession or control of a consultant, advisor, or expert hired by the appraisal district or taxing unit, for the purpose of conducting an annual study, ratio study, appraisal standards review, or performance audit required or authorized by this chapter.

(b) On request of the commissioner, the appraisal district or administrative officer of the taxing unit shall produce the records or other materials in the form and manner prescribed by the commissioner.

(c) The commissioner shall prescribe a uniform record system to be used by all appraisal districts for the purpose of submitting data to be used in the annual study and ratio study. The record system shall include a compilation of information concerning sales of real property within the boundaries of the appraisal district. The sales information maintained in the uniform record system shall be submitted annually in a form prescribed by the commissioner.

SECTION 2. Section 13.051(c), Education Code, is amended to read as follows:

(c) Territory that does not have residents may be detached from a school district and annexed to another school district if:

(1) the total taxable value of the property in the territory according to the most recent certified appraisal roll for each school district is not greater than:

(A) five percent of the district's taxable value of all property in that district as determined under Subchapter B, Chapter 51, Tax [~~Subchapter M, Chapter 403, Government~~] Code; and

(B) \$5,000 property value per student in average daily attendance as determined under Section 42.005; and

(2) the school district from which the property will be detached does not own any real property located in the territory.

SECTION 3. Section 13.231(b), Education Code, is amended to read as follows:

(b) In this section, "taxable value" has the meaning assigned by Section 51.21, Tax [~~403.302, Government~~] Code.

SECTION 4. Section 41.001(2), Education Code, is amended to read as follows:

(2) "Wealth per student" means the taxable value of property, as determined under Subchapter B, Chapter 51, Tax [~~Subchapter M, Chapter 403, Government~~] Code, divided by the number of students in weighted average daily attendance.

SECTION 5. Section 41.002(f), Education Code, is amended to read as follows:

(f) For purposes of Subsection (e), a school district's effective tax rate is determined by dividing the total amount of taxes collected by the district for the applicable school year less any amounts paid into a tax increment fund under Chapter 311, Tax Code, by the quotient of the district's taxable value of property, as determined under Subchapter B, Chapter 51, Tax [~~Subchapter M, Chapter 403, Government~~] Code, divided by 100.

SECTION 6. Section 41.005, Education Code, is amended to read as follows:

Sec. 41.005. [~~COMPTROLLER AND APPRAISAL DISTRICT~~] COOPERATION. The chief appraiser of each appraisal district and the commissioner of the State Board on Property Valuation [~~comptroller~~] shall cooperate with the commissioner and school districts in implementing this chapter.

SECTION 7. Section 41.202(a), Education Code, is amended to read as follows:

(a) For purposes of this subchapter, the taxable value of an individual parcel or other item of property and the total taxable value of property in a school district resulting from the detachment of property from or annexation of property to that district is determined by applying the appraisal ratio for the appropriate category of property determined under Subchapter B, Chapter 51, Tax [~~Subchapter M, Chapter 403, Government~~] Code, for the preceding tax year to the taxable value of the detached or annexed property determined under Title 1, Tax Code, for the preceding tax year.

SECTION 8. Sections 42.106 and 42.2511, Education Code, are amended to read as follows:

Sec. 42.106. ADJUSTED PROPERTY VALUE FOR DISTRICTS NOT OFFERING ALL GRADE LEVELS. For purposes of this chapter, the taxable value of property of a school district that contracts for students residing in the district to be educated in another district under Section 25.039(a) is adjusted by applying the formula:

$$ADPV = DPV - (TN/.015)$$

where:

"ADPV" is the district's adjusted taxable value of property;

"DPV" is the taxable value of property in the district for the preceding tax year determined under Subchapter B, Chapter 51, Tax [~~Subchapter M, Chapter 403, Government~~] Code; and

"TN" is the total amount of tuition required to be paid by the district under Section 25.039 for the school year for which the adjustment is made.

Sec. 42.2511. ADDITIONAL STATE AID FOR HOMESTEAD EXEMPTION. (a) Notwithstanding any other provision of this chapter, a school district is entitled to additional state aid to the extent that state aid under this chapter based on the determination of the school district's taxable value of property as provided under Subchapter B, Chapter 51, Tax [~~Subchapter M, Chapter 403, Government~~] Code, does not fully compensate the district for ad valorem tax revenue lost due to the increase in the homestead exemption under Section 1-b(c), Article VIII, Texas Constitution, as proposed by **HJR 4**, 75th Legislature, Regular Session, 1997, and the additional limitation on tax increases under Section 1-b(d), Article VIII, Texas Constitution, as proposed by **HJR 4**, 75th Legislature, Regular Session, 1997.

(b) The commissioner, using information provided by the commissioner of the State Board on Property Valuation [~~comptroller~~], shall compute the amount of additional state aid to which a district is entitled under this section. A determination by the commissioner under this section is final and may not be appealed.

SECTION 9. Sections 42.252(a) and (c), Education Code, are amended to read as follows:

(a) Each school district's share of the Foundation School Program is determined by the following formula:

$$LFA = TR \times DPV$$

where:

"LFA" is the school district's local share;

"TR" is a tax rate which for each hundred dollars of valuation is an effective tax rate of \$0.86; and

"DPV" is the taxable value of property in the school district for the preceding tax year determined under Subchapter B, Chapter 51, Tax [~~Subchapter M, Chapter 403, Government~~] Code.

(c) Appeals of district values shall be held pursuant to Section 51.22, Tax [~~403.303, Government~~] Code.

SECTION 10. Sections 42.252(a) and (d), Education Code, are amended to read as follows:

(a) In any school year, the commissioner may not provide funding under this chapter based on a school district's taxable value of property computed in accordance with Section 51.21(d)(2), Tax [~~403.302(d)(2), Government~~] Code, unless:

(1) funds are specifically appropriated for purposes of this section; or

(2) the commissioner determines that the total amount of state funds appropriated for purposes of the Foundation School Program for the school year exceeds the amount of state funds distributed to school districts in accordance with Section 42.253 based on the taxable values of property in school districts computed in accordance with Section 51.21(d), Tax [~~403.302(d), Government~~] Code, without any deduction for residence homestead exemptions granted under Section 11.13(n), Tax Code.

(d) If the commissioner determines that the amount of funds available under Subsection (a)(1) or (2) does not at least equal the total amount of state funding to which districts would be entitled if state funding under this chapter were based on the taxable values of property in school districts computed in accordance with Section 51.21(d)(2), Tax [403.302(d)(2), Government] Code, the commissioner may, to the extent necessary, provide state funding based on a uniform lesser fraction of the deduction under Section 51.21(d)(2), Tax [403.302(d)(2), Government] Code.

SECTION 11. Section 42.253(h), Education Code, is amended to read as follows:

(h) If the legislature fails during the regular session to enact the transfer and appropriation proposed under Subsection (f) and there are not funds available under Subsection (j), the commissioner shall reduce the total amount of state funds allocated to each district by an amount determined by a method under which the application of the same number of cents of increase in tax rate in all districts applied to the taxable value of property of each district, as determined under Subchapter B, Chapter 51, Tax [Subchapter M, Chapter 403, Government] Code, results in a total levy equal to the total reduction. The following fiscal year, a district's entitlement under this section is increased by an amount equal to the reduction made under this subsection.

SECTION 12. Section 42.254, Education Code, is amended to read as follows:

Sec. 42.254. ESTIMATES REQUIRED. (a) Not later than October 1 of each even-numbered year:

(1) the agency shall submit to the legislature an estimate of the tax rate and student enrollment of each school district for the following biennium; and

(2) the commissioner of the State Board on Property Valuation [comptroller] shall submit to the legislature an estimate of the total taxable value of all property in the state as determined under Subchapter B, Chapter 51, Tax [Subchapter M, Chapter 403, Government] Code, for the following biennium.

(b) The agency and the commissioner of the State Board on Property Valuation [comptroller] shall update the information provided to the legislature under Subsection (a) not later than March 1 of each odd-numbered year.

SECTION 13. Section 42.257(a), Education Code, is amended to read as follows:

(a) If the final determination of an appeal under Chapter 42, Tax Code, results in a reduction in the taxable value of property that exceeds five percent of the total taxable value of property in the school district for the same tax year determined under Subchapter B, Chapter 51, Tax [Subchapter M, Chapter 403, Government] Code, the commissioner shall request the commissioner of the State Board on Property Valuation [comptroller] to adjust the [its] taxable property value findings for that year consistent with the final determination of the appraisal appeal.

SECTION 14. Section 42.302(a), Education Code, is amended to read as follows:

(a) Each school district is guaranteed a specified amount per weighted student in state and local funds for each cent of tax effort over that required for the district's local fund assignment up to the maximum level specified in this subchapter. The amount of state support, subject only to the maximum amount under Section 42.303, is determined by the formula:

$$GYA = (GL \times WADA \times DTR \times 100) - LR$$

where:

"GYA" is the guaranteed yield amount of state funds to be allocated to the district;

"GL" is the dollar amount guaranteed level of state and local funds per weighted student per cent of tax effort, which is \$27.14 or a greater amount for any year provided by appropriation;

"WADA" is the number of students in weighted average daily attendance, which is calculated by dividing the sum of the school district's allotments under Subchapters B and C, less any allotment to the district for transportation, any allotment under Section 42.158, and 50 percent of the adjustment under Section 42.102, by the basic allotment for the applicable year;

"DTR" is the district enrichment tax rate of the school district, which is determined by subtracting the amounts specified by Subsection (b) from the total amount of maintenance and operations taxes collected by the school district for the applicable school year and dividing the difference by the quotient of the district's taxable value of property as determined under Subchapter B, Chapter 51, Tax [~~Subchapter M, Chapter 403, Government~~] Code, or, if applicable, under Section 42.2521, divided by 100; and

"LR" is the local revenue, which is determined by multiplying "DTR" by the quotient of the district's taxable value of property as determined under Subchapter B, Chapter 51, Tax [~~Subchapter M, Chapter 403, Government~~] Code, or, if applicable, under Section 42.2521, divided by 100.

SECTION 15. Section 46.003(a), Education Code, is amended to read as follows:

(a) For each year, except as provided by Sections 46.005 and 46.006, a school district is guaranteed a specified amount per student in state and local funds for each cent of tax effort, up to the maximum rate under Subsection (b), to pay the principal of and interest on eligible bonds issued to construct, acquire, renovate, or improve an instructional facility. The amount of state support is determined by the formula:

$$FYA = (FYL \times ADA \times BTR \times 100) - (BTR \times (DPV/100))$$

where:

"FYA" is the guaranteed facilities yield amount of state funds allocated to the district for the year;

"FYL" is the dollar amount guaranteed level of state and local funds per student per cent of tax effort, which is \$35 or a greater amount for any year provided by appropriation;

"ADA" is the greater of the number of students in average daily attendance, as determined under Section 42.005, in the district or 400;

"BTR" is the district's bond tax rate for the current year, which is determined by dividing the amount budgeted by the district for payment of eligible bonds by the quotient of the district's taxable value of property as determined under Subchapter B, Chapter 51, Tax [~~Subchapter M, Chapter 403, Government~~] Code, or, if applicable, Section 42.2521, divided by 100; and

"DPV" is the district's taxable value of property as determined under Subchapter B, Chapter 51, Tax [~~Subchapter M, Chapter 403, Government~~] Code, or, if applicable, Section 42.2521.

SECTION 16. Section 46.006(g), Education Code, is amended to read as follows:

(g) In this section, "wealth per student" means a school district's taxable value of property as determined under Subchapter B, Chapter 51, Tax [~~Subchapter M, Chapter 403, Government~~] Code, or, if applicable, Section 42.2521, divided by the district's average daily attendance as determined under Section 42.005.

SECTION 17. Section 46.032(a), Education Code, is amended to read as follows:

(a) Each school district is guaranteed a specified amount per student in state and local funds for each cent of tax effort to pay the principal of and interest on eligible bonds. The amount of state support, subject only to the maximum amount under Section 46.034, is determined by the formula:

$$\text{EDA} = (\text{EDGL} \times \text{ADA} \times \text{EDTR} \times 100) - (\text{EDTR} \times (\text{DPV}/100))$$

where:

"EDA" is the amount of state funds to be allocated to the district for assistance with existing debt;

"EDGL" is the dollar amount guaranteed level of state and local funds per student per cent of tax effort, which is \$35 or a greater amount for any year provided by appropriation;

"ADA" is the number of students in average daily attendance, as determined under Section 42.005, in the district;

"EDTR" is the existing debt tax rate of the district, which is determined by dividing the amount budgeted by the district for payment of eligible bonds by the quotient of the district's taxable value of property as determined under Subchapter B, Chapter 51, Tax [~~Subchapter M, Chapter 403, Government~~] Code, or, if applicable, under Section 42.2521, divided by 100; and

"DPV" is the district's taxable value of property as determined under Subchapter B, Chapter 51, Tax [~~Subchapter M, Chapter 403, Government~~] Code, or, if applicable, under Section 42.2521.

SECTION 18. Sections 825.405(h) and (i), Government Code, are amended to read as follows:

(h) This section does not apply to state contributions for members employed by a school district in a school year if the district's effective tax rate for maintenance and operation revenues for the tax year that ended in the preceding school year equals or exceeds 125 percent of the statewide average effective tax rate for school district maintenance and operation revenues for that tax year. For a tax year, the statewide average effective tax rate for school district maintenance

and operation revenues is the tax rate that, if applied to the statewide total appraised value of taxable property for every school district in the state determined under Section 51.21, Tax Code ~~[403.302]~~, would produce an amount equal to the statewide total amount of maintenance and operation taxes imposed in the tax year for every school district in the state.

(i) Not later than the seventh day after the final date the commissioner of the State Board on Property Valuation ~~[comptroller]~~ certifies to the commissioner of education changes to the property value study conducted under Section 51.21, Tax Code ~~[Subchapter M, Chapter 403]~~, the commissioner of the State Board on Property Valuation ~~[comptroller]~~ shall certify to the Teacher Retirement System of Texas:

(1) the effective tax rate for school district maintenance and operation revenues for each school district in the state for the immediately preceding tax year; and

(2) the statewide average effective tax rate for school district maintenance and operation revenues for the immediately preceding tax year.

SECTION 19. Section 61.040, Health and Safety Code, is amended to read as follows:

Sec. 61.040. TAX INFORMATION. (a) The commissioner of the State Board on Property Valuation ~~[comptroller]~~ shall give the department information relating to[

~~(1)]~~ the taxable value of property taxable by each county and each county's applicable general revenue tax levy for the relevant period.

~~(b) The comptroller shall give the department information relating to[~~ and

~~(2)]~~ the amount of sales and use tax revenue received by each county for the relevant period.

SECTION 20. Section 1152.204(c), Occupations Code, is amended to conform to the changes in terminology made by Chapter 836, Acts of the 77th Legislature, Regular Session, 2001, and is further amended to read as follows:

(c) The executive director ~~[commissioner]~~ may recognize an educational program or course:

(1) related to property tax consulting services; and

(2) offered or sponsored by a public provider or a recognized private provider, including:

(A) the commissioner of the State Board on Property Valuation ~~[comptroller]~~;

(B) the State Bar of Texas;

(C) the Texas Real Estate Commission;

(D) an institution of higher education that meets program and accreditation standards comparable to those for public institutions of higher education as determined by the Texas Higher Education Coordinating Board; or

(E) a nonprofit and voluntary trade association, institute, or organization:

(i) whose membership consists primarily of persons who represent property owners in property tax or transactional tax matters;

- (ii) that has written experience and examination requirements for membership or for granting professional designation to its members; and
- (iii) that subscribes to a code of professional conduct or ethics.

SECTION 21. Section 1.04, Tax Code, is amended by amending Subdivision (19) and adding Subdivision (20) to read as follows:

(19) "Commissioner" [~~"Comptroller"~~] means the commissioner of the State Board on Property Valuation [~~Comptroller of Public Accounts of the State of Texas~~].

(20) "Board" means the State Board on Property Valuation.

SECTION 22. Section 1.111(h), Tax Code, is amended to read as follows:

(h) The commissioner [~~comptroller~~] shall prescribe forms and adopt rules to facilitate compliance with this section. The commissioner [~~comptroller~~] shall include on any form used for designation of an agent for a single-family residential property in which the property owner resides the following statement in boldfaced type:

"In some cases, you may want to contact your appraisal district or other local taxing units for free information and/or forms concerning your case before designating an agent."

SECTION 23. Chapter 5, Tax Code, is amended by adding Sections 5.01 and 5.02 to read as follows:

Sec. 5.01. STATE BOARD ON PROPERTY VALUATION. (a) The State Board on Property Valuation is established. The board consists of five members appointed by the governor.

(b) Members of the board hold office for terms of six years, with the terms of one or two members expiring March 1 of each odd-numbered year.

(c) To be eligible to serve on the board, a person must:

(1) have been a resident of this state for at least 10 years; and

(2) possess knowledge, skill, and experience in property tax administration, property appraisal, or school finance.

(d) A person is not eligible to serve as a member of the board if the person or the person's spouse:

(1) is registered with or certified by the Board of Tax Professional Examiners;

(2) is employed by or participates in the management of a school district, an appraisal district, the office of an assessor or collector, or a business entity or other organization that is substantially and directly affected by the activities of the board or that does substantial business with the board; or

(3) uses or receives a substantial amount of tangible goods, services, or funds from the board, other than compensation or reimbursement authorized by law for board membership, attendance, or expenses.

(e) Appointments to the board shall be made without regard to the race, color, disability, sex, religion, age, or national origin of the appointees.

(f) The governor shall designate one of the members of the board to serve as presiding officer of the board. The presiding officer serves in that capacity for a term of two years expiring on March 1 of an odd-numbered year.

(g) The board shall maintain its principal office in Austin.

(h) The board shall meet at least once in each calendar quarter and shall meet at other times at the call of the presiding officer or as provided by the rules of the board.

(i) The board is subject to the open meetings law, Chapter 551, Government Code, and the administrative procedure law, Chapter 2001, Government Code.

(j) A member of the board may not receive compensation for service on the board but is entitled to reimbursement for actual and necessary expenses incurred in performing functions as a board member, subject to any applicable limitation on reimbursement provided by the General Appropriations Act.

(k) It is a ground for removal from the board if a member:

(1) violates a prohibition established by Subsection (d);

(2) cannot because of illness or disability discharge the member's duties for a substantial part of the term for which the member is appointed; or

(3) is absent from more than half of the regularly scheduled board meetings that the member is eligible to attend during a calendar year unless the absence is excused by majority vote of the board.

Sec. 5.02. BOARD PERSONNEL AND OPERATIONS. (a) The board shall employ the commissioner, who shall administer board policies and perform all duties as provided by law.

(b) The commissioner shall employ and supervise professional, clerical, and other personnel necessary to perform all duties as required by law, board policy, and direction of the board or commissioner.

(c) The commissioner shall provide to board staff, as often as necessary, information regarding their qualifications for employment under this chapter and their responsibilities under applicable laws relating to standards of conduct for state employees.

SECTION 24. Section 5.03, Tax Code, is amended to read as follows:

Sec. 5.03. POWERS AND DUTIES GENERALLY. (a) The board [comptroller] shall adopt rules establishing minimum standards for the administration and operation of an appraisal district. The minimum standards may vary according to the number of parcels and the kinds of property the district is responsible for appraising.

(b) The board [comptroller] may require from each district engaged in appraising property for taxation an annual report on a form prescribed by the commissioner [comptroller] on the administration and operation of the appraisal office.

(c) The board [comptroller] may contract with consultants to assist in performance of the duties imposed by this chapter.

(d) The board is responsible for ensuring that the commissioner performs the duties required by law of the commissioner.

(e) The board has the powers necessary to carry out its powers and duties under this title.

(f) The board may:

(1) adopt rules necessary to carry out the board's powers and duties under this title;

(2) sue and be sued;

- (3) enter into contracts and other necessary instruments;
- (4) impose administrative fees and charges for the costs of publications;
- (5) purchase liability insurance covering the board and employees and agents of the board; and
- (6) establish other policies, procedures, and eligibility criteria necessary to carry out the board's powers and duties under this title.

SECTION 25. Section 5.04(a), Tax Code, is amended to read as follows:

(a) The commissioner [~~comptroller~~] shall consult and cooperate with the Board of Tax Professional Examiners or any successor agency responsible for certifying tax professionals in this state in setting standards for and approving curricula and materials for use in training and educating appraisers and assessor-collectors, and the commissioner [~~comptroller~~] may cooperate with the board or with other public agencies, educational institutions, or private organizations in sponsoring courses of instruction and training programs.

SECTION 26. Sections 5.041(a), (c), (d), and (f), Tax Code, are amended to read as follows:

(a) The board [~~comptroller~~] shall:

(1) approve curricula and provide materials for use in training and educating members of an appraisal review board; and

(2) supervise a course for training and education of appraisal review board members and issue certificates indicating course completion.

(c) The board [~~comptroller~~] may contract with service providers to assist with the duties imposed under Subsection (a), but the course required may not be provided by an appraisal district or a taxing unit. The board [~~comptroller~~] may assess a fee to recover a portion of the costs incurred for the training course, but the fee may not exceed \$50 per person trained.

(d) The course material for the course required under Subsection (a) is the [~~comptroller's~~] Appraisal Review Board Manual prepared by the commissioner in use on the effective date of this section. The manual shall be updated regularly. It may be revised on request, in writing, to the board [~~comptroller~~]. The revision language must be approved on the unanimous agreement of a committee selected by the board [~~comptroller~~] and representing, equally, taxpayers and chief appraisers. The person requesting the revision shall pay the costs of mediation if the board [~~comptroller~~] determines that mediation is required.

(f) The commissioner [~~comptroller~~] may not advise a property owner, a property owner's agent, an appraisal district, or an appraisal review board on a matter that the commissioner [~~comptroller~~] knows is the subject of a protest to the appraisal review board.

SECTION 27. Sections 5.05(a), (b), and (c), Tax Code, are amended to read as follows:

(a) The commissioner [~~comptroller~~] shall prepare and issue:

- (1) a general appraisal manual;
- (2) special appraisal manuals;
- (3) cost, price, and depreciation schedules, with provision for inserting local market index factors and with a standard procedure for determining local market index factors;

- (4) news and reference bulletins;
- (5) annotated digests of all laws relating to property taxation; and
- (6) a handbook of all rules promulgated by the board or commissioner [~~comptroller~~] relating to the property tax and its administration.

(b) The commissioner [~~comptroller~~] shall revise or supplement all materials periodically as necessary to keep them current.

(c) The commissioner [~~comptroller~~] shall provide without charge one copy of all materials to officials of local government who are responsible for administering the property tax system. If a local government official requests more than one copy, the commissioner [~~comptroller~~] may charge a reasonable fee to offset the costs of printing and distributing the materials. The commissioner [~~comptroller~~] shall make the materials available to members of the public but may charge a reasonable fee to offset the costs of printing and distributing the materials.

SECTION 28. Sections 5.06, 5.07, 5.08, 5.09, 5.101, 5.14, and 5.16, Tax Code, are amended to read as follows:

Sec. 5.06. EXPLANATION OF TAXPAYER REMEDIES. (a) The commissioner [~~comptroller~~] shall prepare and publish a pamphlet explaining the remedies available to dissatisfied taxpayers and the procedures to be followed in seeking remedial action. The commissioner [~~comptroller~~] shall include in the pamphlet advice on preparing and presenting a protest.

(b) The commissioner [~~comptroller~~] shall provide without charge a reasonable number of copies of the pamphlet to any person on request. The commissioner [~~comptroller~~] may charge a person who requests multiple copies of the pamphlet a reasonable fee to offset the costs of printing and distributing those copies. The commissioner [~~comptroller~~] at its discretion shall determine the number of copies that a person may receive without charge.

Sec. 5.07. PROPERTY TAX FORMS AND RECORDS SYSTEMS. (a) The commissioner [~~comptroller~~] shall prescribe the contents of all forms necessary for the administration of the property tax system and on request shall furnish sufficient copies of model forms of each type to the appropriate local officials. The commissioner [~~comptroller~~] may require reimbursement for the costs of printing and distributing the forms.

(b) The commissioner [~~comptroller~~] shall make the contents of the forms uniform to the extent practicable but may prescribe or approve additional or substitute forms for special circumstances.

(c) The commissioner [~~comptroller~~] shall also prescribe a uniform record system to be used by all offices appraising property for tax purposes.

Sec. 5.08. PROFESSIONAL AND TECHNICAL ASSISTANCE. (a) The commissioner [~~comptroller~~] may provide professional and technical assistance on request in appraising property, installing or updating tax maps, purchasing equipment, developing recordkeeping systems, or performing other appraisal activities. The commissioner [~~comptroller~~] may also provide professional and technical assistance on request to an appraisal review board. The commissioner [~~comptroller~~] may require reimbursement for the costs of providing the assistance.

(b) The commissioner [~~comptroller~~] may provide information to and consult with persons actively engaged in appraising property for tax purposes about any matter relating to property taxation without charge.

Sec. 5.09. ANNUAL REPORTS. (a) The commissioner [~~comptroller~~] shall publish an annual report of the operations of the appraisal districts. The report shall include for each appraisal district, each county, and each school district and may include for other taxing units the total appraised values, assessed values, and taxable values of taxable property by class of property, the assessment ratio, and the tax rate.

(b) The commissioner [~~comptroller~~] shall deliver a copy of each annual report published under Subsection (a) of this section to the governor, the lieutenant governor, and each member of the legislature.

Sec. 5.101. TECHNICAL ADVISORY COMMITTEE. (a) The board [~~comptroller~~] shall appoint a technical advisory committee for the purpose of providing professional and practical expertise to the board [~~comptroller~~] and to review and comment on the methodology used by the commissioner [~~comptroller~~] to conduct the annual studies required by Section 51.21 and the ratio studies required by Section 51.41 [~~Section 5.10 of this code and by Section 403.302, Government Code~~]. A member of the committee serves at the will of the board [~~comptroller~~].

(b) The committee shall:

(1) review the methodology used by the commissioner [~~comptroller~~] to conduct the studies described in Subsection (a);

(2) make an annual report to the commissioner [~~comptroller~~] that includes the committee's findings and recommendations relating to the methodology used to conduct the studies; and

(3) meet as often as necessary to perform its duties, but not less often than semiannually.

(c) The board [~~comptroller~~] shall appoint the committee to provide for a balanced representation of the general public and of professionals affiliated with the entities affected by the studies.

(d) Each member of the committee must have expertise sufficient to determine the accuracy of the [~~annual~~] studies and the appropriateness of the methods used to develop the findings of the studies.

(e) The board [~~comptroller~~] shall specify the committee's purpose, powers, and duties and shall require the committee to report to the board [~~comptroller~~] in a manner specified by the board [~~comptroller~~] relating to the committee's activities and the results of its work.

(f) A member of the committee may receive compensatory per diem for serving on the committee and is entitled to reimbursement for transportation expenses and the per diem meals and lodging allowance as provided for the board [~~comptroller~~] and for commission members in the General Appropriations Act.

(g) The commissioner [~~comptroller~~] shall make the committee's annual report available to the public on request.

Sec. 5.14. PUBLIC ACCESS, INFORMATION, AND COMPLAINTS. (a) The board [comptroller] shall develop and implement policies that provide the public with a reasonable opportunity to submit information on any property tax issue under the jurisdiction of the board [comptroller].

(b) The board [comptroller] shall prepare and maintain a written plan that describes how a person who does not speak English or who has a physical, mental, or developmental disability may be provided reasonable access to the board's [comptroller's] programs.

(c) The board [comptroller] shall prepare information of public interest describing the property tax functions of the office of the board [comptroller] and the board's [comptroller's] procedures by which complaints are filed with and resolved by the board [comptroller]. The board [comptroller] shall make the information available to the public and appropriate state agencies.

(d) If a written complaint is filed with the board [comptroller] that the board [comptroller] has authority to resolve, the board [comptroller], at least quarterly and until final disposition of the complaint, shall notify the parties to the complaint of the status of the complaint unless notice would jeopardize an undercover investigation.

(e) The board [comptroller] shall keep an information file about each complaint filed with the board [comptroller] that the board [comptroller] has authority to resolve.

Sec. 5.16. ADMINISTRATIVE PROVISIONS. (a) The commissioner [comptroller] may inspect the records or other materials of an appraisal office or taxing unit, including the relevant records and materials in the possession or control of a consultant, advisor, or expert hired by the appraisal office or taxing unit, for the purpose of:

~~(1) establishing, reviewing, or evaluating the value of or an appraisal of any property[; or~~

~~(2) conducting a study, review, or audit required by Section 5.10 or 5.102 or by Section 403.302, Government Code].~~

(b) On request of the commissioner [comptroller], the chief appraiser or administrative head of the taxing unit shall produce the materials in the form and manner prescribed by the commissioner [comptroller].

SECTION 29. Section 6.025(a), Tax Code, is amended to read as follows:

(a) The chief appraisers of two or more appraisal districts that have boundaries that include any part of the same territory shall enter into a written understanding that, with respect to the property located in the territory in which each of the districts has appraisal jurisdiction:

(1) permits each appraiser to have access to and use information appropriate to appraisals, including a record of an exemption application, rendition, or other property owner report;

(2) eliminates differences in the information in appraisal records of the districts, including information relating to ownership of property, the description of property, and the physical characteristics of property; and

(3) contains the form of a written advisory prescribed by the commissioner [~~comptroller~~] informing the owners of property that reports and other documents required of the owners must be filed with or sent to each appraisal district and that the owners should consider sending any other document relating to the property to each appraisal district.

SECTION 30. Section 6.235(a), Tax Code, is amended to read as follows:

(a) During each full term of office, a county assessor-collector of a county with a population of 1,000,000 or more shall complete 64 or more classroom hours of instruction that relate to the duties of the office and that are accredited by the Board of Tax Professional Examiners, the commissioner [~~division of the office of comptroller with responsibility for property taxes~~], the division of the Texas Department of Transportation with responsibility for motor vehicles, or the secretary of state as continuing education credits for the office of county assessor-collector.

SECTION 31. Sections 6.28(b), (d), and (e), Tax Code, are amended to read as follows:

(b) The bond for state taxes must be payable to the governor and his successors in office in an amount equal to five percent of the net state collections from motor vehicle sales and use taxes and motor vehicle registration fees in the county during the year ending August 31 preceding the date bond is given, except that the amount of bond may not be less than \$2,500 or more than \$100,000. To be effective, the bond must be approved by the commissioners court of the county and the commissioner [~~state comptroller of public accounts~~].

(d) The commissioner [~~state comptroller of public accounts~~] or the commissioners court of the county may require a new bond for state taxes at any time. The commissioners court may require a new bond for county taxes at any time. However, the total amount of state bonds or county bonds required of an assessor-collector may not exceed \$100,000 at one time. The commissioners court shall suspend the assessor-collector from office and begin removal proceedings if the assessor-collector [~~he~~] fails to give new bond within a reasonable time after demand.

(e) The assessor-collector's official oath and bonds for state and county taxes shall be recorded in the office of the county clerk, and the county judge shall submit the bond for state taxes to the commissioner [~~state comptroller of public accounts~~].

SECTION 32. Section 6.412(c), Tax Code, is amended to read as follows:

(c) A person is ineligible to serve on the appraisal review board if the person is a member of the board of directors, an officer, or employee of the appraisal district, an employee of the commissioner [~~comptroller~~], or a member of the governing body, officer, or employee of a taxing unit.

SECTION 33. Section 11.11(b), Tax Code, is amended to read as follows:

(b) Land owned by the Permanent University Fund is taxable for county purposes. Any notice required by Section 25.19 of this code shall be sent to the commissioner [~~comptroller~~], and the commissioner [~~comptroller~~] shall appear in behalf of the state in any protest or appeal relating to taxation of Permanent University Fund land.

SECTION 34. Section 11.182(f), Tax Code, as added by Chapter 842, Acts of the 77th Legislature, Regular Session, 2001, is relettered and amended to read as follows:

(i) [(f)] If any property owned by an organization receiving an exemption under this section has been acquired or sold during the preceding year, such organization shall file by March 31 of the following year with the chief appraiser in the county in which the relevant property is located, on a form promulgated by the commissioner [~~comptroller of public accounts~~], a list of such properties acquired or sold during the preceding year.

SECTION 35. Sections 11.252(c), (d), (i), and (j), Tax Code, are amended to read as follows:

(c) The commissioner [~~comptroller~~] by rule shall establish exemption application requirements and appropriate procedures to determine whether a motor vehicle subject to a lease qualifies for an exemption under Subsection (a).

(d) In connection with the requirements and procedures under Subsection (c), the commissioner [~~comptroller~~] by rule shall adopt a form to be completed by the lessee of a motor vehicle for which the owner of the vehicle may apply for an exemption under Subsection (a). The form shall require the lessee to provide the lessee's name, address, and driver's license or personal identification certificate number and to certify under oath that the lessee does not hold the vehicle for the production of income and that the vehicle is used primarily for activities that do not involve the production of income. The commissioner [~~comptroller~~] shall include on the form a notice of the penalties prescribed by Section 37.10, Penal Code, for making a false statement on the form.

(i) In addition to the requirements of Subsections (c) and (d), the commissioner [~~comptroller~~] by rule shall prescribe a property report form to be completed by the lessor describing the leased motor vehicles that the lessor owns. The property report form shall require the lessor to list each leased vehicle the lessor owns on January 1, to provide the year, make, model, and vehicle identification number of each leased vehicle, and to provide the name of the lessee, the address at which the vehicle is kept, and an indication of whether the lessee has designated the vehicle as not held for the production and not used for the production of income.

(j) The lessor shall provide the chief appraiser with the completed property report form adopted by the commissioner [~~comptroller~~] in the manner provided by Subchapter B, Chapter 22.

SECTION 36. Section 11.26(e), Tax Code, is amended to read as follows:

(e) For each school district in an appraisal district, the chief appraiser shall determine the portion of the appraised value of residence homesteads of the elderly on which school district taxes are not imposed in a tax year because of the limitation on tax increases imposed by this section. That portion is calculated by determining the taxable value that, if multiplied by the tax rate adopted by the school district for the tax year, would produce an amount equal to the amount of tax that would have been imposed by the school district on residence homesteads of the elderly if the limitation on tax increases imposed by this section were not in

effect, but that was not imposed because of that limitation. The chief appraiser shall determine that taxable value and certify it to the commissioner [~~comptroller~~] as soon as practicable for each tax year.

SECTION 37. Section 11.27(b), Tax Code, is amended to read as follows:

(b) The commissioner [~~comptroller~~], with the assistance of the Texas Energy and Natural Resources Advisory Council, or its successor, shall develop guidelines to assist local officials in the administration of this section.

SECTION 38. Section 11.43(f), Tax Code, is amended to read as follows:

(f) The commissioner [~~comptroller~~], in prescribing the contents of the application form for each kind of exemption, shall ensure that the form requires an applicant to furnish the information necessary to determine the validity of the exemption claim. The form must require an applicant to provide the applicant's name and driver's license number, personal identification certificate number, or social security account number. The commissioner [~~comptroller~~] shall include on the forms a notice of the penalties prescribed by Section 37.10, Penal Code, for making or filing an application containing a false statement. The commissioner [~~comptroller~~] shall include, on application forms for exemptions that do not have to be claimed annually, a statement explaining that the application need not be made annually and that if the exemption is allowed, the applicant has a duty to notify the chief appraiser when the applicant's entitlement to the exemption ends. In this subsection:

(1) "Driver's license" has the meaning assigned that term by Section 521.001, Transportation Code.

(2) "Personal identification certificate" means a certificate issued by the Department of Public Safety under Subchapter E, Chapter 521, Transportation Code.

SECTION 39. Section 11.44(c), Tax Code, is amended to read as follows:

(c) The commissioner [~~comptroller~~] shall prescribe by rule the content of the explanation required by Subsection (a) [~~of this section~~], and shall require that each exemption application form be printed and prepared:

(1) as a separate form from any other form; or

(2) on the front of the form if the form also provides for other information.

SECTION 40. Section 21.03(b), Tax Code, is amended to read as follows:

(b) The commissioner [~~comptroller~~] shall adopt rules:

(1) identifying the kinds of property subject to this section; and

(2) establishing formulas for calculating the proportion of total market value to be allocated to this state.

SECTION 41. Sections 21.031(e) and (f), Tax Code, are amended to read as follows:

(e) To receive an allocation of value under this section, a property owner must apply for the allocation on a form that substantially complies with the form prescribed by the commissioner [~~comptroller~~]. The application must be filed with the chief appraiser for the district in which the property to which the application applies is taxable before the approval of the appraisal records by the appraisal review board as provided by Section 41.12 [~~of this code~~].

(f) The commissioner [~~comptroller~~] shall promulgate forms and may adopt rules consistent with the provisions of this section.

SECTION 42. Section 22.21, Tax Code, is amended to read as follows:

Sec. 22.21. PUBLICIZING REQUIREMENTS. Each year the commissioner [~~comptroller~~] and each chief appraiser shall publicize in a manner reasonably designed to notify all property owners the requirements of the law relating to filing rendition statements and property reports and of the availability of forms.

SECTION 43. Sections 22.24(a), (c), and (e), Tax Code, are amended to read as follows:

(a) A person required to render property or to file a report as provided by this chapter shall use a form that substantially complies with the appropriate form prescribed or approved by the commissioner [~~comptroller~~].

(c) The commissioner [~~comptroller~~] may prescribe or approve different forms for different kinds of property but shall ensure that each form requires a property owner to furnish the information necessary to identify the property and to determine its ownership, taxability, and situs. A form may not require a property owner to furnish information not relevant to the appraisal of property for tax purposes or to the assessment or collection of property taxes.

(e) To be valid, a rendition or report must be sworn to before an officer authorized by law to administer an oath. The commissioner [~~comptroller~~] may not prescribe or approve a rendition or report form unless the form provides for the person filing the form to swear that the information provided in the rendition or report is true and accurate to the best of the person's knowledge and belief. This subsection does not apply to a rendition or report filed by the property owner, an employee of the property owner, or an employee of a property owner on behalf of an affiliated entity of the property owner.

SECTION 44. Sections 22.27(a), (b), and (d), Tax Code, are amended to read as follows:

(a) Rendition statements, real and personal property reports, attachments to those statements and reports, and other information the owner of property provides to the appraisal office in connection with the appraisal of the property, including income and expense information related to a property filed with an appraisal office and information voluntarily disclosed to an appraisal office or the commissioner [~~comptroller~~] about real or personal property sales prices after a promise it will be held confidential, are confidential and not open to public inspection. The statements and reports and the information they contain about specific real or personal property or a specific real or personal property owner and information voluntarily disclosed to an appraisal office about real or personal property sales prices after a promise it will be held confidential may not be disclosed to anyone other than an employee of the appraisal office who appraises property except as authorized by Subsection (b) [~~of this section~~].

(b) Information made confidential by this section may be disclosed:

(1) in a judicial or administrative proceeding pursuant to a lawful subpoena;

(2) to the person who filed the statement or report or the owner of property subject to the statement, report, or information or to a representative of either authorized in writing to receive the information;

(3) to the commissioner [~~comptroller~~] and the commissioner's [~~comptroller's~~] employees authorized by the commissioner [~~comptroller~~] in writing to receive the information or to an assessor or a chief appraiser if requested in writing;

(4) in a judicial or administrative proceeding relating to property taxation to which the person who filed the statement or report or the owner of the property that is a subject of the statement, report, or information is a party;

(5) for statistical purposes if in a form that does not identify specific property or a specific property owner;

(6) if and to the extent the information is required to be included in a public document or record that the appraisal office is required to prepare or maintain; or

(7) to a taxing unit or its legal representative that is engaged in the collection of delinquent taxes on the property that is the subject of the information.

(d) No person who directly or indirectly provides information to the commissioner [~~comptroller~~] or appraisal office about real or personal property sales prices, either as set forth in Subsection (a) [~~of this section~~] under a promise of confidentiality, or otherwise, shall be liable to any other person as the result of providing such information.

SECTION 45. Section 23.121(a)(6), Tax Code, is amended to read as follows:

(6) "Declaration" means the dealer's motor vehicle inventory declaration form promulgated by the commissioner [~~comptroller~~] as required by this section.

SECTION 46. Section 23.121(f), Tax Code, is amended to read as follows:

(f) The commissioner [~~comptroller~~] shall promulgate a form entitled Dealer's Motor Vehicle Inventory Declaration. Except as provided by Section 23.122(l) [~~of this code~~], not later than February 1 of each year, or, in the case of a dealer who was not in business on January 1, not later than 30 days after commencement of business, each dealer shall file a declaration with the chief appraiser and file a copy with the collector. For purposes of this subsection, a dealer is presumed to have commenced business on the date of issuance to the dealer of a dealer's general distinguishing number as provided by Chapter 503, Transportation Code. Notwithstanding the presumption created by this subsection, a chief appraiser may, at the chief appraiser's [~~his or her~~] sole discretion, designate as the date on which a dealer commenced business a date other than the date of issuance to the dealer of a dealer's general distinguishing number. The declaration is sufficient to comply with this subsection if it sets forth the following information:

(1) the name and business address of each location at which the dealer owner conducts business;

(2) each of the dealer's general distinguishing numbers issued by the Texas Department of Transportation;

(3) a statement that the dealer owner is the owner of a dealer's motor vehicle inventory; and

(4) the market value of the dealer's motor vehicle inventory for the current tax year as computed under Section 23.121(b) ~~[of this code]~~.

SECTION 47. Section 23.122(a)(9), Tax Code, is amended to read as follows:

(9) "Statement" means the Dealer's Motor Vehicle Inventory Tax Statement filed on a form promulgated by the commissioner ~~[comptroller]~~ as required by this section.

SECTION 48. Section 23.122(e), Tax Code, is amended to read as follows:

(e) The commissioner ~~[comptroller]~~ shall promulgate a form entitled a Dealer's Motor Vehicle Inventory Tax Statement. A dealer shall complete the form with respect to each motor vehicle sold. A dealer may use no other form for that purpose. The statement may include the information the commissioner ~~[comptroller]~~ deems appropriate but shall include at least the following:

(1) a description of the motor vehicle sold;

(2) the sales price of the motor vehicle;

(3) the unit property tax of the motor vehicle if any; and

(4) the reason no unit property tax is assigned if no unit property tax is assigned.

SECTION 49. Section 23.123(c), Tax Code, is amended to read as follows:

(c) Information made confidential by this section may be disclosed:

(1) in a judicial or administrative proceeding pursuant to a lawful subpoena;

(2) to the person who filed the declaration or statement or to that person's representative authorized by the person in writing to receive the information;

(3) to the commissioner ~~[comptroller]~~ or an employee of the commissioner ~~[comptroller]~~ authorized by the commissioner ~~[comptroller]~~ to receive the information;

(4) to a collector or chief appraiser;

(5) to a district attorney, criminal district attorney or county attorney involved in the enforcement of a penalty imposed pursuant to Section 23.121 or Section 23.122 ~~[of this code]~~;

(6) for statistical purposes if in a form that does not identify specific property or a specific property owner;

(7) if and to the extent that the information is required for inclusion in a public document or record that the appraisal or collection office is required by law to prepare or maintain; or

(8) to the Texas Department of Transportation for use by that department in auditing compliance of its licensees with appropriate provisions of applicable law.

SECTION 50. Section 23.124(a)(6), Tax Code, is amended to read as follows:

(6) "Declaration" means the dealer's vessel and outboard motor inventory declaration form promulgated by the commissioner [~~comptroller~~] as required by this section.

SECTION 51. Section 23.124(f), Tax Code, is amended to read as follows:

(f) The commissioner [~~comptroller~~] shall promulgate a form entitled "Dealer's Vessel and Outboard Motor Inventory Declaration." Except as provided by Section 23.125(l) [~~of this code~~], not later than February 1 of each year or, in the case of a dealer who was not in business on January 1, not later than 30 days after commencement of business, each dealer shall file a declaration with the chief appraiser and file a copy with the collector. The declaration is sufficient to comply with this subsection if it sets forth the following information:

(1) the name and business address of each location at which the dealer owner conducts business;

(2) each of the dealer's and manufacturer's numbers issued by the Parks and Wildlife Department;

(3) a statement that the dealer owner is the owner of a dealer's vessel and outboard motor inventory; and

(4) the market value of the dealer's vessel and outboard motor inventory for the current tax year as computed under Subsection (b) of this section.

SECTION 52. Section 23.1241(a)(4), Tax Code, is amended to read as follows:

(4) "Declaration" means a dealer's heavy equipment inventory declaration form adopted by the commissioner [~~comptroller~~] under this section.

SECTION 53. Section 23.1241(f), Tax Code, is amended to read as follows:

(f) The commissioner [~~comptroller~~] by rule shall adopt a dealer's heavy equipment inventory declaration form. Except as provided by Section 23.1242(k), not later than February 1 of each year, or, in the case of a dealer who was not in business on January 1, not later than 30 days after commencement of business, each dealer shall file a declaration with the chief appraiser and file a copy with the collector. The declaration is sufficient to comply with this subsection if it sets forth:

(1) the name and business address of each location at which the declarant conducts business;

(2) a statement that the declarant is the owner of a dealer's heavy equipment inventory; and

(3) the market value of the declarant's heavy equipment inventory for the current tax year as computed under Subsection (b).

SECTION 54. Section 23.1242(a)(3), Tax Code, is amended to read as follows:

(3) "Statement" means the dealer's heavy equipment inventory tax statement filed on a form adopted by the commissioner [~~comptroller~~] under this section.

SECTION 55. Section 23.1242(e), Tax Code, is amended to read as follows:

(e) The commissioner [~~comptroller~~] by rule shall adopt a dealer's heavy equipment inventory tax statement form. A dealer shall complete the form with respect to each item of heavy equipment sold. A dealer may use no other form for that purpose. The statement may include the information the commissioner [~~comptroller~~] considers appropriate but shall include at least the following:

- (1) a description of the item of heavy equipment sold, including any unique identification or serial number affixed to the item by the manufacturer;
- (2) the sales price of the item of heavy equipment;
- (3) the unit property tax of the item of heavy equipment, if any; and
- (4) the reason no unit property tax is assigned if no unit property tax is assigned.

SECTION 56. Section 23.125(a)(9), Tax Code, is amended to read as follows:

(9) "Statement" means the dealer's vessel and outboard motor inventory tax statement filed on a form promulgated by the commissioner [~~comptroller~~] as required by this section.

SECTION 57. Section 23.125(e), Tax Code, is amended to read as follows:

(e) The commissioner [~~comptroller~~] shall promulgate a form entitled "Dealer's Vessel and Outboard Motor Inventory Tax Statement." A dealer shall complete the form with respect to each vessel and outboard motor sold. A dealer may use no other form for that purpose. The statement may include the information the commissioner [~~comptroller~~] deems appropriate but shall include at least the following:

- (1) a description of the vessel or outboard motor sold;
- (2) the sales price of the vessel or outboard motor;
- (3) the unit property tax of the vessel or outboard motor, if any; and
- (4) the reason no unit property tax is assigned if no unit property tax is assigned.

SECTION 58. Section 23.126(c), Tax Code, is amended to read as follows:

(c) Information made confidential by this section may be disclosed:

- (1) in a judicial or administrative proceeding pursuant to a lawful subpoena;
- (2) to the person who filed the declaration or statement or to that person's representative authorized by the person in writing to receive the information;
- (3) to the commissioner [~~comptroller~~] or an employee of the commissioner [~~comptroller~~] authorized by the commissioner [~~comptroller~~] to receive the information;
- (4) to a collector or chief appraiser;
- (5) to a district attorney, criminal district attorney, or county attorney involved in the enforcement of a penalty imposed pursuant to Section 23.124 or Section 23.125 [~~of this code~~];

(6) for statistical purposes if in a form that does not identify specific property or a specific property owner; or

(7) if and to the extent that the information is required for inclusion in a document or record that the appraisal or collection office is required by law to prepare or maintain.

SECTION 59. Section 23.127(a)(3), Tax Code, is amended to read as follows:

(3) "Declaration" means a retail manufactured housing inventory declaration form adopted by the commissioner [~~comptroller~~] under this section.

SECTION 60. Section 23.127(f), Tax Code, is amended to read as follows:

(f) The commissioner [~~comptroller~~] by rule shall adopt a form entitled "Retail Manufactured Housing Inventory Declaration." Except as provided by Section 23.128(k), not later than February 1 of each year or, in the case of a retailer who was not in business on January 1, not later than the 30th day after the date the retailer commences business, each retailer shall file a declaration with the chief appraiser and file a copy with the collector. The declaration is sufficient to comply with this subsection if it sets forth the following information:

(1) the name and business address of each location at which the retailer conducts business;

(2) the retailer's license number issued by the department;

(3) a statement that the retailer is the owner of a retail manufactured housing inventory; and

(4) the market value of the retailer's manufactured housing inventory for the current tax year as computed under Subsection (b).

SECTION 61. Section 23.128(a)(4), Tax Code, is amended to read as follows:

(4) "Statement" means the retail manufactured housing inventory tax statement filed on a form adopted by the commissioner [~~comptroller~~] under this section.

SECTION 62. Section 23.128(e), Tax Code, is amended to read as follows:

(e) The commissioner [~~comptroller~~] by rule shall adopt a form entitled "Retail Manufactured Housing Inventory Tax Statement." A retailer shall complete the form with respect to each unit of manufactured housing sold. A retailer may not use another form for that purpose. The statement shall include:

(1) a description of the unit of manufactured housing sold, including any unique identification or serial number affixed to the unit by the manufacturer;

(2) the sales price of the unit of manufactured housing;

(3) any unit property tax of the unit of manufactured housing;

(4) the reason a unit property tax is not assigned if that is the case; and

(5) any other information the commissioner [~~comptroller~~] considers appropriate.

SECTION 63. Section 23.175(b), Tax Code, is amended to read as follows:

(b) The commissioner [~~comptroller~~] by rule shall develop and distribute to each appraisal office appraisal manuals that specify methods and procedures to discount future income from the sale of oil or gas from the interest to present value.

SECTION 64. Sections 23.41(b) and (e), Tax Code, are amended to read as follows:

(b) The commissioner [~~comptroller~~] shall promulgate rules specifying the methods to apply and the procedures to use in appraising land designated for agricultural use.

(e) Improvements other than appurtenances to the land, the mineral estate, and all land used for residential purposes and for processing harvested agricultural products are appraised separately at market value. Riparian water rights, private roads, dams, reservoirs, water wells, and canals, ditches, terraces, and similar reshaping of or additions to the soil for agricultural purposes are appurtenances to the land, and the effect of each on the value of the land for agricultural use shall be considered in appraising the land. However, the commissioner [~~comptroller~~] shall provide that in calculating average net income from land a deduction from income be allowed for an appurtenance subject to depreciation or depletion.

SECTION 65. Section 23.43(d), Tax Code, is amended to read as follows:

(d) The commissioner [~~comptroller~~] in prescribing the contents of the application forms shall ensure that each form requires a claimant to furnish the information necessary to determine the validity of the claim. The commissioner [~~comptroller~~] shall require that the form permit a claimant who has previously been allowed an agricultural designation to indicate that previously reported information has not changed and to supply only the eligibility information not previously reported.

SECTION 66. Section 23.45(b), Tax Code, is amended to read as follows:

(b) Information made confidential by this section may be disclosed:

- (1) in a judicial or administrative proceeding pursuant to a lawful subpoena;
- (2) to the person who filed the application or to his representative authorized in writing to receive the information;
- (3) to the commissioner [~~comptroller~~] and his employees authorized by him in writing to receive the information or to an assessor or a chief appraiser if requested in writing;
- (4) in a judicial or administrative proceeding relating to property taxation to which the person who filed the application is a party;
- (5) for statistical purposes if in a form that does not identify specific property or a specific property owner; or
- (6) if and to the extent the information is required to be included in a public document or record that the appraisal office is required to prepare or maintain.

SECTION 67. Section 23.52(d), Tax Code, is amended to read as follows:

(d) The commissioner [~~comptroller~~] by rule shall develop and distribute to each appraisal office appraisal manuals setting forth this method of appraising qualified open-space land, and each appraisal office shall use the appraisal manuals in appraising qualified open-space land. The commissioner [~~comptroller~~] by rule shall develop and the appraisal office shall enforce procedures to verify that land meets the conditions contained in Subdivision (1) of Section 23.51 [~~of this code~~]. The rules, before taking effect, must be approved by a majority vote of

a committee comprised of the following officials or their designees: the commissioner, the governor, the comptroller, the attorney general, and the agriculture commissioner~~[-and the Commissioner of the General Land Office]~~.

SECTION 68. Section 23.521(a), Tax Code, is amended to read as follows:

(a) The Parks and Wildlife Department, with the assistance of the commissioner ~~[comptroller]~~, shall develop standards for determining whether land qualifies under Section 23.51(7) for appraisal under this subchapter. The commissioner ~~[comptroller]~~ by rule shall adopt the standards developed by the Parks and Wildlife Department and distribute those rules to each appraisal district. On request of the Parks and Wildlife Department, the Texas Agricultural Extension Service shall assist the department in developing the standards.

SECTION 69. Sections 23.54(b) and (c), Tax Code, are amended to read as follows:

(b) To be valid, the application must:

(1) be on a form provided by the appraisal office and prescribed by the commissioner ~~[comptroller]~~; and

(2) contain the information necessary to determine the validity of the claim.

(c) The commissioner ~~[comptroller]~~ shall include on the form a notice of the penalties prescribed by Section 37.10, Penal Code, for making or filing an application containing a false statement. The commissioner ~~[comptroller]~~, in prescribing the contents of the application form, shall require that the form permit a claimant who has previously been allowed appraisal under this subchapter to indicate that previously reported information has not changed and to supply only the eligibility information not previously reported.

SECTION 70. Section 23.73(b), Tax Code, is amended to read as follows:

(b) The commissioner ~~[comptroller]~~ by rule shall develop and distribute to each appraisal office appraisal manuals setting forth this method of appraising qualified timber land, and each appraisal office shall use the appraisal manuals in appraising qualified timber land. The commissioner ~~[comptroller]~~ by rule shall develop and the appraisal office shall enforce procedures to verify that land meets the conditions contained in Section 23.72 ~~[of this code]~~. The rules, before taking effect, must be approved by majority vote of a committee comprised of the following officials or their designees: the commissioner, the governor, the comptroller, the attorney general, and the agriculture commissioner~~[-and the Commissioner of the General Land Office]~~.

SECTION 71. Sections 23.75(b) and (c), Tax Code, are amended to read as follows:

(b) To be valid, the application must:

(1) be on a form provided by the appraisal office and prescribed by the commissioner ~~[comptroller]~~; and

(2) contain the information necessary to determine the validity of the claim.

(c) The commissioner ~~[comptroller]~~ shall include on the form a notice of the penalties prescribed by Section 37.10, Penal Code, for making or filing an application containing a false statement. The commissioner ~~[comptroller]~~, in

prescribing the contents of the application form, shall require that the form permit a claimant who has previously been allowed appraisal under this subchapter to indicate that previously reported information has not changed and to supply only the eligibility information not previously reported.

SECTION 72. Section 23.83(e), Tax Code, is amended to read as follows:

(e) The commissioner [~~comptroller~~] shall promulgate rules specifying the methods to apply and the procedures to use in appraising land under this subchapter.

SECTION 73. Section 23.84(f), Tax Code, is amended to read as follows:

(f) The commissioner [~~comptroller~~] in prescribing the contents of the application forms shall ensure that each form requires a claimant to furnish the information necessary to determine the validity of the claim and that the form requires the claimant to state that the land for which the claimant [~~he~~] claims appraisal under this subchapter will be used exclusively for recreational, park, or scenic uses in the current year.

SECTION 74. Section 23.93(e), Tax Code, is amended to read as follows:

(e) The commissioner [~~comptroller~~] shall promulgate rules specifying the methods to apply and the procedures to use in appraising property under this subchapter.

SECTION 75. Section 23.94(f), Tax Code, is amended to read as follows:

(f) The commissioner [~~comptroller~~] in prescribing the contents of the application forms shall ensure that each form requires a claimant to furnish the information necessary to determine the validity of the claim and that the form requires the claimant to state that the airport property for which the claimant [~~he~~] claims appraisal under this subchapter will be used exclusively as public access airport property in the current year.

SECTION 76. Sections 23.9804(b), (c), and (d), Tax Code, are amended to read as follows:

(b) To be valid, an application for appraisal under Section 23.9802(a) must:

(1) be on a form provided by the appraisal office and prescribed by the commissioner [~~comptroller~~];

(2) provide evidence that the land qualifies for designation as an aesthetic management zone, critical wildlife habitat zone, or streamside management zone;

(3) specify the location of the proposed zone and the quantity of land, in acres, in the proposed zone; and

(4) contain other information necessary to determine the validity of the claim.

(c) To be valid, an application for appraisal under Section 23.9802(b) must:

(1) be on a form provided by the appraisal office and prescribed by the commissioner [~~comptroller~~];

(2) provide evidence that the land on which the timber was harvested was appraised under Subchapter E in the year in which the timber was harvested;

(3) provide evidence that all of the land has been regenerated in compliance with Section 23.9802(b)(2); and

(4) contain other information necessary to determine the validity of the claim.

(d) The commissioner [~~comptroller~~] shall include on the form a notice of the penalties prescribed by Section 37.10, Penal Code, for making or filing an application containing a false statement. The commissioner [~~comptroller~~], in prescribing the contents of the application form, shall require that the form permit a claimant who has previously been allowed appraisal under this subchapter to indicate that the previously reported information has not changed and to supply only the eligibility information not previously reported.

SECTION 77. Section 24.32(c), Tax Code, is amended to read as follows:

(c) A report required by this section must be on a form prescribed by the commissioner [~~comptroller~~]. In prescribing the form, the commissioner [~~comptroller~~] shall ensure that it requires the information necessary to determine market value of rolling stock used in this state.

SECTION 78. Section 24.34(b), Tax Code, is amended to read as follows:

(b) The commissioner [~~comptroller~~] shall adopt rules establishing formulas for interstate allocation of the value of railroad rolling stock.

SECTION 79. Sections 24.36, 24.365, 24.37, and 24.38, Tax Code, are amended to read as follows:

Sec. 24.36. CERTIFICATION TO COMMISSIONER [~~COMPTROLLER~~]. On approval of the appraised value of the rolling stock as provided by Chapter 41 [~~of this code~~], the chief appraiser shall certify to the commissioner [~~comptroller~~] the amount of market value allocated to this state for each owner whose rolling stock is appraised in the county and the name and business address of each owner.

Sec. 24.365. CORRECTION OF CERTIFIED AMOUNT. (a) A chief appraiser who discovers that the chief appraiser's certification to the commissioner [~~comptroller~~] of the amount of the market value of rolling stock allocated to this state under Section 24.36 was incomplete or incorrect shall immediately certify the correct amount of that market value to the commissioner [~~comptroller~~].

(b) As soon as practicable after the commissioner [~~comptroller~~] receives the correct certification from the chief appraiser, the commissioner [~~comptroller~~] shall certify to the county assessor-collector for each affected county the information required by Section 24.38 as corrected.

Sec. 24.37. INTRASTATE APPORTIONMENT. The commissioner [~~comptroller~~] shall apportion the appraised value of each owner's rolling stock to each county in which the railroad using it operates according to the ratio the mileage of road owned by the railroad in the county bears to the total mileage of road the railroad owns in this state.

Sec. 24.38. CERTIFICATION OF APPORTIONED VALUE. Before August 1, the commissioner [~~comptroller~~] shall certify to the county assessor-collector for each county in which a railroad operates:

(1) the county's apportioned amount of the market value of each owner's rolling stock; and

(2) the name and business address of each owner.

SECTION 80. Section 24.40(a), Tax Code, is amended to read as follows:

(a) If a chief appraiser discovers that rolling stock used in this state and subject to appraisal by the chief appraiser ~~[him]~~ has not been appraised and apportioned to the counties in one of the two preceding years, he shall appraise the property as of January 1 for each year it was omitted, submit the appraisal for review and protest, and certify the approved value to the commissioner ~~[comptroller]~~.

SECTION 81. Section 25.011(b), Tax Code, is amended to read as follows:

(b) The record for each type of specially appraised property must be maintained in a separate document for each 12-month period beginning June 1. The document must include the name of at least one owner of the property, the acreage of the property, and other information sufficient to identify the property as required by the commissioner ~~[comptroller]~~. All entries in each document must be kept in alphabetical order according to the last name of each owner whose name is part of the record.

SECTION 82. Section 25.02(a), Tax Code, is amended to read as follows:

(a) The appraisal records shall be in the form prescribed by the commissioner ~~[comptroller]~~ and shall include:

- (1) the name and address of the owner or, if the name or address is unknown, a statement that it is unknown;
- (2) real property;
- (3) separately taxable estates or interests in real property, including taxable possessory interests in exempt real property;
- (4) personal property;
- (5) the appraised value of land and, if the land is appraised as provided by Subchapter C, D, E, or H, Chapter 23, the market value of the land;
- (6) the appraised value of improvements to land;
- (7) the appraised value of a separately taxable estate or interest in land;
- (8) the appraised value of personal property;
- (9) the kind of any partial exemption the owner is entitled to receive, whether the exemption applies to appraised or assessed value, and, in the case of an exemption authorized by Section 11.23, the amount of the exemption;
- (10) the tax year to which the appraisal applies; and
- (11) an identification of each taxing unit in which the property is taxable.

SECTION 83. Section 25.025(b), Tax Code, is amended to read as follows:

(b) Information in appraisal records under Section 25.02 is confidential and is available only for the official use of the appraisal district, this state, the commissioner ~~[comptroller]~~, and taxing units and political subdivisions of this state if:

- (1) the information identifies the home address of a named individual to whom this section applies; and
- (2) the individual chooses to restrict public access to the information on the form prescribed for that purpose by the commissioner ~~[comptroller]~~ under Section 5.07.

SECTION 84. Section 25.026(b), Tax Code, is amended to read as follows:

(b) Information in appraisal records under Section 25.02 is confidential and is available only for the official use of the appraisal district, this state, the commissioner [~~comptroller~~], and taxing units and political subdivisions of this state if the information identifies the address of a family violence shelter center or a sexual assault program.

SECTION 85. Section 25.03(b), Tax Code, is amended to read as follows:

(b) The commissioner [~~comptroller~~] may adopt rules establishing minimum standards for descriptions of property.

SECTION 86. Sections 25.19(i) and (j), Tax Code, are amended to read as follows:

(i) Delivery with a notice required by Subsection (a) or (g) of a copy of the pamphlet published by the commissioner [~~comptroller~~] under Section 5.06 or a copy of the notice published by the chief appraiser under Section 41.70 is sufficient to comply with the requirement that the notice include the information specified by Subsection (b)(7) or (g)(3), as applicable.

(j) The chief appraiser shall include with a notice required by Subsection (a) or (g):

(1) a copy of a notice of protest form as prescribed by the commissioner [~~comptroller~~] under Section 41.44(d); and

(2) instructions for completing and mailing the form to the appraisal review board and requesting a hearing on the protest.

SECTION 87. Section 25.23(b), Tax Code, is amended to read as follows:

(b) Supplemental appraisal records shall be in the form prescribed by the commissioner [~~comptroller~~] and shall include the items required by Section 25.02 [~~of this code~~].

SECTION 88. Section 26.01(b), Tax Code, is amended to read as follows:

(b) When a chief appraiser submits an appraisal roll for county taxes to a county assessor-collector, the chief appraiser also shall certify the appraisal district appraisal roll to the commissioner [~~comptroller~~]. However, the commissioner [~~comptroller~~] by rule may provide for submission of only a summary of the appraisal roll. The chief appraiser shall certify the district appraisal roll or the summary of that roll in the form and manner prescribed by the commissioner's [~~comptroller's~~] rule.

SECTION 89. Section 26.04(e), Tax Code, is amended to read as follows:

(e) By August 7 or as soon thereafter as practicable, the designated officer or employee shall submit the rates to the governing body. The designated officer or employee [~~He~~] shall deliver by mail to each property owner in the unit or publish in a newspaper in the form prescribed by the commissioner [~~comptroller~~]:

(1) the effective tax rate, the rollback tax rate, and an explanation of how they were calculated;

(2) the estimated amount of interest and sinking fund balances and the estimated amount of maintenance and operation or general fund balances remaining at the end of the current fiscal year that are not encumbered with or by corresponding existing debt obligation;

(3) a schedule of the unit's debt obligations showing:

(A) the amount of principal and interest that will be paid to service the unit's debts in the next year from property tax revenue, including payments of lawfully incurred contractual obligations providing security for the payment of the principal of and interest on bonds and other evidences of indebtedness issued on behalf of the unit by another political subdivision and, if the unit is created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, payments on debts that the unit anticipates to incur in the next calendar year;

(B) the amount by which taxes imposed for debt are to be increased because of the unit's anticipated collection rate; and

(C) the total of the amounts listed in Paragraphs (A)-(B), less any amount collected in excess of the previous year's anticipated collections certified as provided in Subsection (b);

(4) the amount of additional sales and use tax revenue anticipated in calculations under Section 26.041;

(5) a statement that the adoption of a tax rate equal to the effective tax rate would result in an increase or decrease, as applicable, in the amount of taxes imposed by the unit as compared to last year's levy, and the amount of the increase or decrease;

(6) in the year that a taxing unit calculates an adjustment under Subsection (i) or (j), a schedule that includes the following elements:

(A) the name of the unit discontinuing the department, function, or activity;

(B) the amount of property tax revenue spent by the unit listed under Paragraph (A) to operate the discontinued department, function, or activity in the 12 months preceding the month in which the calculations required by this chapter are made; and

(C) the name of the unit that operates a distinct department, function, or activity in all or a majority of the territory of a taxing unit that has discontinued operating the distinct department, function, or activity; and

(7) in the year following the year in which a taxing unit raised its rollback rate as required by Subsection (j), a schedule that includes the following elements:

(A) the amount of property tax revenue spent by the unit to operate the department, function, or activity for which the taxing unit raised the rollback rate as required by Subsection (j) for the 12 months preceding the month in which the calculations required by this chapter are made; and

(B) the amount published by the unit in the preceding tax year under Subdivision (6)(B).

SECTION 90. Section 26.06(f), Tax Code, is amended to read as follows:

(f) The commissioner [~~comptroller~~] by rule shall prescribe the language and format to be used in the part of the notice required by Subsection (b)(2). A notice under Subsection (b) is not valid if it does not substantially conform to the language and format prescribed by the commissioner [~~comptroller~~] under this subsection.

SECTION 91. Section 31.01(c), Tax Code, is amended to read as follows:

(c) The tax bill or a separate statement accompanying the tax bill shall:

- (1) identify the property subject to the tax;
- (2) state the appraised value, assessed value, and taxable value of the property;
- (3) if the property is land appraised as provided by Subchapter C, D, E, or H, Chapter 23, state the market value and the taxable value for purposes of deferred or additional taxation as provided by Section 23.46, 23.55, 23.76, or 23.9807, as applicable;
- (4) state the assessment ratio for the unit;
- (5) state the type and amount of any partial exemption applicable to the property, indicating whether it applies to appraised or assessed value;
- (6) state the total tax rate for the unit;
- (7) state the amount of tax due, the due date, and the delinquency date;
- (8) explain the payment option and discounts provided by Sections 31.03 and 31.05, if available to the unit's taxpayers, and state the date on which each of the discount periods provided by Section 31.05 concludes, if the discounts are available;
- (9) state the rates of penalty and interest imposed for delinquent payment of the tax;
- (10) include the name and telephone number of the assessor for the unit and, if different, of the collector for the unit; and
- (11) include any other information required by the commissioner [~~comptroller~~].

SECTION 92. Section 31.032(f), Tax Code, is amended to read as follows:

(f) The commissioner [~~comptroller~~] shall adopt rules to implement this section.

SECTION 93. Section 31.075(a), Tax Code, is amended to read as follows:

(a) At the request of a property owner or a property owner's agent, the collector for a taxing unit shall issue a receipt showing the taxable value and the amount of tax imposed by the unit on the property in one or more tax years for which the information is requested, the tax rate for each of those tax years, and the amount of tax paid in each of those years. The receipt must describe the property in the manner prescribed by the commissioner [~~comptroller~~].

SECTION 94. Section 31.11(c), Tax Code, is amended to read as follows:

(c) An application for a refund must be made within three years after the date of the payment or the taxpayer waives the right to the refund. A taxpayer may apply for a refund by filing:

- (1) an application on a form prescribed by the commissioner [~~comptroller~~] by rule; or
- (2) a written request that includes information sufficient to enable the auditor for the taxing unit and, if applicable, the governing body of the taxing unit to determine whether the taxpayer is entitled to the refund.

SECTION 95. Section 33.43(e), Tax Code, is amended to read as follows:

(e) The commissioner [~~comptroller~~] shall prepare forms for petitions initiating suits to collect delinquent taxes. An attorney representing a taxing unit may use the forms or develop a [~~his own~~] form.

SECTION 96. Section 41.44(d), Tax Code, is amended to read as follows:

(d) A notice of protest is sufficient if it identifies the protesting property owner, including a person claiming an ownership interest in the property even if that person is not listed on the appraisal records as an owner of the property, identifies the property that is the subject of the protest, and indicates apparent dissatisfaction with some determination of the appraisal office. The notice need not be on an official form, but the commissioner [~~comptroller~~] shall prescribe a form that provides for more detail about the nature of the protest. The form must permit a property owner to include each property in the appraisal district that is the subject of a protest. The commissioner [~~comptroller~~], each appraisal office, and each appraisal review board shall make the forms readily available and deliver one to a property owner on request.

SECTION 97. Sections 41.45(k) and (l), Tax Code, are amended to read as follows:

(k) The commissioner [~~comptroller~~] shall prescribe a standard form for an affidavit offered under Subsection (b). Each appraisal district shall make copies of the affidavit form available to property owners without charge.

(l) A property owner is not required to use the affidavit form prescribed by the commissioner [~~comptroller~~] when offering an affidavit under Subsection (b).

SECTION 98. Section 41.461(a), Tax Code, is amended to read as follows:

(a) At least 14 days before a hearing on a protest, the chief appraiser shall:

(1) deliver a copy of the pamphlet prepared by the commissioner [~~comptroller~~] under Section 5.06(a) to the property owner initiating the protest if the owner is not represented by another person [~~representing himself~~], or to an agent representing the owner if requested by the agent;

(2) inform the property owner that the owner or the agent of the owner may inspect and may obtain a copy of the data, schedules, formulas, and all other information the chief appraiser plans to introduce at the hearing to establish any matter at issue; and

(3) deliver a copy of the hearing procedures established by the appraisal review board under Section 41.66 to the property owner.

SECTION 99. Sections 41.65 and 41.68, Tax Code, are amended to read as follows:

Sec. 41.65. REQUEST FOR STATE ASSISTANCE. The appraisal review board may request the commissioner [~~comptroller~~] to assist in determining the accuracy of appraisals by the appraisal office or to provide other professional assistance. The appraisal office shall reimburse the costs of providing assistance if the commissioner [~~comptroller~~] requests reimbursement.

Sec. 41.68. RECORD OF PROCEEDING. The appraisal review board shall keep a record of its proceedings in the form and manner prescribed by the commissioner [~~comptroller~~].

SECTION 100. Section 41.70(a), Tax Code, is amended to read as follows:

(a) On or after May 1 but not later than May 15, the chief appraiser shall publish notice of the manner in which a protest under this chapter may be brought by a property owner. The notice must describe how to initiate a protest and must describe the deadlines for filing a protest. The notice must also describe the

manner in which an order of the appraisal review board may be appealed. The commissioner [~~comptroller~~] by rule shall adopt minimum standards for the form and content of the notice required by this section.

SECTION 101. Sections 42.01, 42.03, and 42.05, Tax Code, are amended to read as follows:

Sec. 42.01. RIGHT OF APPEAL BY PROPERTY OWNER. A property owner is entitled to appeal:

(1) an order of the appraisal review board determining:

(A) a protest by the property owner as provided by Subchapter C of Chapter 41; or

(B) a determination of an appraisal review board on a motion filed under Section 25.25; or

(2) an order of the commissioner [~~comptroller~~] issued as provided by Subchapter B, Chapter 24, apportioning among the counties the appraised value of railroad rolling stock owned by the property owner.

Sec. 42.03. RIGHT OF APPEAL BY COUNTY. A county may appeal the order of the commissioner [~~comptroller~~] issued as provided by Subchapter B, Chapter 24 of this code apportioning among the counties the appraised value of railroad rolling stock.

Sec. 42.05. COMMISSIONER [~~COMPTROLLER~~] AS PARTY. The commissioner [~~comptroller~~] is an opposing party in an appeal by:

(1) a property owner of an order of the commissioner [~~comptroller~~] determining a protest of the appraisal, interstate allocation, or intrastate apportionment of transportation business intangibles; or

(2) a county or a property owner of an order of the commissioner [~~comptroller~~] apportioning among the counties the appraised value of railroad rolling stock.

SECTION 102. Sections 42.06(a), (b), and (c), Tax Code, are amended to read as follows:

(a) To exercise the party's right to appeal an order of an appraisal review board, a party other than a property owner must file written notice of appeal within 15 days after the date the party receives the notice required by Section 41.47 or, in the case of a taxing unit, by Section 41.07 that the order appealed has been issued. To exercise the right to appeal an order of the commissioner [~~comptroller~~], a party other than a property owner must file written notice of appeal within 15 days after the date the party receives the commissioner's [~~comptroller's~~] order. A property owner is not required to file a notice of appeal under this section.

(b) A party required to file a notice of appeal under this section other than a chief appraiser who appeals an order of an appraisal review board shall file the notice with the chief appraiser of the appraisal district for which the appraisal review board is established. A chief appraiser who appeals an order of an appraisal review board shall file the notice with the appraisal review board. A party who appeals an order of the commissioner [~~comptroller~~] shall file the notice with the commissioner [~~comptroller~~].

(c) If the chief appraiser, a taxing unit, or a county appeals, the chief appraiser, if the appeal is of an order of the appraisal review board, or the commissioner [~~comptroller~~], if the appeal is of an order of the commissioner [~~comptroller~~], shall deliver a copy of the notice to the property owner whose property is involved in the appeal within 10 days after the date the notice is filed.

SECTION 103. Section 42.21(b), Tax Code, is amended to read as follows:

(b) A petition for review brought under Section 42.02 must be brought against the owner of the property involved in the appeal. A petition for review brought under Section 42.031 must be brought against the appraisal district and against the owner of the property involved in the appeal. A petition for review brought under Subdivision (2) or (3) of Section 42.01 or under Section 42.03 must be brought against the commissioner [~~comptroller~~]. Any other petition for review under this chapter must be brought against the appraisal district. A petition for review is not required to be brought against the appraisal review board, but may be brought against the appraisal review board in addition to any other required party, if appropriate.

SECTION 104. Section 42.22, Tax Code, as amended by Chapters 667 and 1033, Acts of the 73rd Legislature, Regular Session, 1993, is reenacted and amended to read as follows:

Sec. 42.22. VENUE. (a) Except as provided by Subsections (b) and (c), and by Section 42.221, venue is in the county in which the appraisal review board that issued the order appealed is located.

(b) Venue of an action brought under Section 42.01(1) is in the county in which the property is located or in the county in which the appraisal review board that issued the order is located.

(c) Venue is in Travis County if the order appealed was issued by the commissioner [~~comptroller~~].

SECTION 105. Section 42.23(b), Tax Code, is amended to read as follows:

(b) The court may not admit in evidence the fact of prior action by the appraisal review board or commissioner [~~comptroller~~], except to the extent necessary to establish its jurisdiction.

SECTION 106. Section 42.26(c), Tax Code, is amended to read as follows:

(c) For purposes of establishing the median level of appraisal under Subsection (a)(1), the median level of appraisal in the appraisal district as determined by the commissioner [~~comptroller~~] under Section 51.41 [~~5.10~~] is admissible as evidence of the median level of appraisal of a reasonable and representative sample of properties in the appraisal district for the year of the commissioner's [~~comptroller's~~] determination, subject to the Texas Rules of Evidence and the Texas Rules of Civil Procedure.

SECTION 107. Sections 42.28 and 43.01, Tax Code, are amended to read as follows:

Sec. 42.28. APPEAL OF DISTRICT COURT JUDGMENT. A party may appeal the final judgment of the district court as provided by law for appeal of civil suits generally, except that an appeal bond is not required of the chief appraiser, the county, the commissioner [~~comptroller~~], or the commissioners court of a county.

Sec. 43.01. AUTHORITY TO BRING SUIT. A taxing unit may sue the appraisal district that appraises property for the unit to compel the appraisal district to comply with the provisions of this title, rules of the commissioner [~~comptroller~~], or other applicable law.

SECTION 108. Section 313.022(b), Tax Code, is amended to read as follows:

(b) For purposes of determining the required minimum amount of a qualified investment under Section 313.021(2)(A)(iv)(a), and the minimum amount of a limitation on appraised value under Section 313.027(b), school districts to which this subchapter applies are categorized according to the taxable value of property in the district for the preceding tax year determined under Subchapter B, Chapter 51, Tax [~~Subchapter M, Chapter 403, Government~~] Code, as follows:

CATEGORY	TAXABLE VALUE OF PROPERTY
I	\$10 billion or more
II	\$1 billion or more but less than \$10 billion
III	\$500 million or more but less than \$1 billion
IV	\$100 million or more but less than \$500 million
V	less than \$100 million

SECTION 109. Section 313.052, Tax Code, is amended to read as follows:

Sec. 313.052. CATEGORIZATION OF SCHOOL DISTRICTS. For purposes of determining the required minimum amount of a qualified investment under Section 313.021(2)(A)(iv)(a) and the minimum amount of a limitation on appraised value under this subchapter, school districts to which this subchapter applies are categorized according to the taxable value of industrial property in the district for the preceding tax year determined under Subchapter B, Chapter 51, Tax [~~Subchapter M, Chapter 403, Government~~] Code, as follows:

CATEGORY	TAXABLE VALUE OF INDUSTRIAL PROPERTY
I	\$200 million or more
II	\$90 million or more but less than \$200 million
III	\$1 million or more but less than \$90 million
IV	\$100,000 or more but less than \$1 million
V	less than \$100,000

SECTION 110. Sections 39.901(a), (b), (c), and (e), Utilities Code, are amended to read as follows:

(a) Not later than August 31 each year, the commissioner of the State Board on Property Valuation [~~comptroller~~] shall certify to the Texas Education Agency the statewide net loss in electric generating facility property value attributable to electric utility restructuring. In calculating the statewide net loss in electric generating facility property value, the commissioner of the State Board on Property Valuation [~~comptroller~~] shall:

(1) subtract current year electric generating facility appraisal roll values, as defined by Section 25.24, Tax Code, from 1999 electric generating facility appraised values in each school district;

(2) sum the resulting property value losses (positive differences);

(3) sum the resulting property value gains (negative differences); and

(4) subtract the absolute value of the property value gains, subject to the limitation in Section 39.9011, from the absolute value of the property value losses to calculate a statewide net loss.

(b) The Texas Education Agency shall determine the amount necessary to compensate the state for the statewide net loss certified under Subsection (a) by multiplying the statewide net loss by the average adopted property tax rate of the school districts that had losses, weighted by the value losses in each school district, and dividing the result by 100 and shall notify the commission of the amount necessary to compensate the state for the reduction. The commissioner of the State Board on Property Valuation [~~comptroller~~] shall provide the Texas Education Agency the electric generating facility value losses in each school district used in Subsection (a)(2) for use in calculating the weighted average property tax rate.

(c) The amounts determined by the commissioner of the State Board on Property Valuation [~~comptroller~~] and the Texas Education Agency under this section, for the purposes of this section, are final and may not be appealed.

(e) The commissioner of education and the commissioner of the State Board on Property Valuation [~~comptroller~~] shall adopt rules necessary to implement this section, including rules providing for public input.

SECTION 111. The following laws are repealed:

- (1) Sections 5.10, 5.102, 5.12, and 5.13, Tax Code; and
- (2) Subchapter M, Chapter 403, Government Code.

SECTION 112. (a) As soon as practicable on or after the effective date of this Act, the governor shall appoint the members of the State Board on Property Valuation. The initial members appointed shall draw lots so that one member's term expires March 1, 2005, two members' terms expire March 1, 2007, and two members' terms expire March 1, 2009. The board shall employ a commissioner as soon as practicable after a majority of the members of the board qualify for office.

(b) The comptroller of public accounts and the commissioner of the State Board on Property Valuation shall coordinate the transfer of all aspects and functions of the comptroller relating to state administration of the property tax system to the board or commissioner, as applicable. The transfer shall be accomplished as soon as practicable but not later than the 45th day after the date the board employs the initial commissioner.

(c) The transfer required by Subsection (b) of this section includes all assets, obligations, and liabilities of any kind relating to state administration of the property tax system, including all contracts, leases, real or personal property, personnel, furniture, computers and other equipment, files, and related materials used by the comptroller for that purpose.

(d) All appropriations made to the comptroller for the operation of the property tax division, as well as the personnel assigned to the division, are transferred to the State Board on Property Valuation, except for the appropriations for support services provided by other divisions of the comptroller's office. Until the end of the state fiscal biennium that begins September 1, 2003, the comptroller, by interagency contract, shall continue to provide support to the

State Board on Property Valuation for payroll, human resources, computer maintenance and technical assistance, printing and distribution of publications created by the board, and similar administrative services currently provided.

(e) All forms, rules, and procedures relating to state administration of the property tax system adopted by the comptroller or administratively transferred to the comptroller and in effect on the effective date of this Act remain in effect on or after that date as if adopted by the State Board on Property Valuation or the commissioner of the State Board on Property Valuation, as applicable, until amended, repealed, withdrawn, or otherwise superseded by the board or commissioner.

(f) In any protest, appeal, or other administrative or judicial action in which the comptroller is a party on the effective date of this Act in connection with a duty or function transferred from the comptroller to the State Board on Property Valuation or the commissioner of the State Board on Property Valuation, as applicable, by this Act, the board or commissioner is substituted for the comptroller on the effective date of this Act.

Amendment No. 2

Representative Wohlgemuth offered the following amendment to Amendment No. 1:

Amend the floor substitute to **SB 671** in the following way:

On page 6, line 19, delete the words "or 2003".

On page 6, line 24, delete the words "and 2004-2005".

On page 7, line 4, delete "September 30, 2005" and replace it with the words "September 30, 2004".

Amendment No. 2 was adopted without objection.

Amendment No. 3

Representative Wohlgemuth offered the following amendment to Amendment No. 1:

Amend the floor substitute to **SB 671** in the following way:

On page 58, line 11, after the word "commissioner" add the words "of the General Land Office".

On page 59, line 22, after the word "commissioner" add the words "of the General Land Office".

Amendment No. 3 was adopted without objection.

Amendment No. 4

Representative Wohlgemuth offered the following amendment to Amendment No. 1:

Amend Floor Amendment No. 1 by Wohlgemuth to **SB 671** at the end of the bill (floor amendment page 80, following line 18) by adding the following:

SECTION 113. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.

Amendment No. 4 was adopted without objection.

Amendment No. 5

Representative T. Smith offered the following amendment to Amendment No. 1:

Amend Floor Amendment No. 1 by Wohlgemuth to **SB 671** as follows:

(1) In SECTION 1 of the bill, in proposed Paragraph (A), Subdivision (2), Section 51.02, Tax Code, between "study" and the comma (floor amendment page 1, line 23), insert "conducted for the year 2003 or a subsequent year".

(2) In SECTION 1 of the bill, in proposed Paragraph (B), Subdivision (2), Section 51.02, Tax Code, between "study" and the comma (floor amendment page 1, line 27), insert "conducted for the year 2003 or a subsequent year".

(3) In SECTION 1 of the bill, in proposed Paragraph (C), Subdivision (2), Section 51.02, Tax Code, between "study" and the comma (floor amendment page 1, line 29), insert "conducted for the year 2003 or a subsequent year".

(4) In SECTION 1 of the bill, in proposed Subsection (c), Section 51.21, Tax Code, at the end of the subsection (floor amendment page 3, line 16), add the following:

In determining whether the local value for a school district is valid, the commissioner shall use a margin of error that does not exceed five percent unless the commissioner determines that the size of the sample of properties necessary to make the determination makes the use of such a margin of error not feasible, in which case the commissioner may use a larger margin of error.

(5) In SECTION 1 of the bill, in proposed Section 51.21, Tax Code, between Subsections (g) and (h) (floor amendment page 6, between lines 17 and 18), insert the following subsection and renumber the subsequent subsections and cross-references to those subsections accordingly:

(h) Notwithstanding Subsection (g), if, after conducting the annual study for the two years following the second year for which the commissioner determines that a school district is an eligible school district, the commissioner determines that the local value for the school district is invalid for either of those years, the commissioner shall notify the commissioner of education that the school district's taxable value for the two years for which the commissioner determined that the district was an eligible school district was the state value rather than the local value as previously certified. The commissioner of education shall, by withholding amounts from subsequent allocations of state funds under Chapter 42, Education Code, recover from the school district an amount equal to the over allocation of state funds resulting from the certification of the local value rather than the state value for the two years for which the commissioner determined that the district was an eligible school district. If the school district does not receive a tier one allotment, the district shall remit to the comptroller for deposit to the credit of the foundation school fund an amount equal to the reduction in the

district's total cost of purchasing attendance credits under Subchapter D, Chapter 41, Education Code, or educating nonresident students under Subchapter E, Chapter 41, Education Code, resulting from the certification of the local value rather than the state value for the two years for which the commissioner determined that the district was an eligible school district. This subsection does not apply to an eligible school district if the commissioner determines in the year following the first year for which the commissioner determines that the school district is an eligible school district that the local value for the school district is valid.

Amendment No. 5 was adopted without objection.

Amendment No. 6

Representatives Oliveira and Hochberg offered the following amendment to Amendment No. 1:

Amend the proposed floor substitute to **SB 671** as follows:

(1) Throughout the substitute, in each instance that "commissioner" is added, strike "commissioner" and reinstate "comptroller".

(2) Throughout the substitute, in each section in which "Commissioner of the State Board on Property Valuation" or "board" is added to replace "comptroller", strike the applicable term and reinstate "comptroller".

(3) Throughout the substitute, in each section in which "board" is added to replace "comptroller", strike "board" and reinstate "commissioner".

(4) Throughout the substitute, in each section in which "commissioner" is added to replace "division of the office of the comptroller with responsibility for property taxes", strike "commissioner" and reinstate "division of the office of the comptroller with responsibility for property taxes".

(5) Strike SECTION 6 of the substitute.

(6) In SECTION 20 of the substitute, on page 30, lines 10 and 11, strike added Subdivision (20), Section 1.04, Tax Code.

(7) Strike SECTION 23 of the substitute.

(8) Strike SECTION 112 of the substitute

Amendment No. 6 was adopted without objection.

Amendment No. 7

Representative Hochberg offered the following amendment to Amendment No. 1:

Amend Amendment No. 1 by Wohlgemuth to **SB 671** (floor amendment page 2, line 2), by striking "95 percent" and substituting "90 percent".

Amendment No. 7 was adopted without objection.

Amendment No. 8

Representative T. Smith offered the following amendment to Amendment No. 1:

Amend Floor Amendment No. 1 by Wohlgemuth to **SB 671** as follows:

(1) In SECTION 1 of the bill, in proposed Subsection (g), Section 51.21, Tax Code (floor amendment page 6, line 9), strike "If" and substitute "Except as provided by Subsection (1), if".

(2) In SECTION 1 of the bill, at the end of proposed Section 51.21, Tax Code (floor amendment page 7, between lines 29 and 30), insert the following:

(1) A school district that is determined to be an eligible school district may not again be determined to be an eligible school district before the 10th year after the year of the determination that the school district is an eligible school district.

Amendment No. 8 was adopted without objection.

Amendment No. 1, as amended, was adopted without objection.

SB 671, as amended, was passed to third reading. (R. Cook recorded voting yes)

SB 1357 ON SECOND READING (Capelo and Naishtat - House Sponsors)

SB 1357, A bill to be entitled An Act relating to local school health advisory councils, health education instruction, and coordinated health programs for elementary school students.

Amendment No. 1

Representative Capelo offered the following amendment to **SB 1357**:

Amend **SB 1357** (house committee report) as follows:

(1) In SECTION 1 of the bill, in amended Section 28.004, Education Code (page 1, line 8), between "HEALTH" and "[~~EDUCATION~~]", insert "AND NUTRITION".

(2) In SECTION 2 of the bill, in Subsection (a), Section 28.004, Education Code (page 1, line 16), after "health education instruction" insert "and nutrition policies."

(3) In SECTION 2 of the bill, in Subsection (b), Section 28.004, Education Code (page 1, line 20), after "instruction" insert "and nutrition policies."

(4) In SECTION 2 of the bill, in amended Subsection (a), (b), (c), and (e), Section 28.004, Education Code (page 1, lines 14, 18, and 21 and page 3, line 13), between "health" and "[~~education~~]", each place they appear, insert "and nutrition".

(5) In SECTION 2 of the bill, strike amended Paragraphs (C), (D), and (E), Subdivision (2), Subsection (c), Section 28.004, Education Code (page 2, lines 7-9), and substitute the following:

(C) [~~nutritional services~~];

[~~(D)~~] parental involvement; and

(D) [~~(E)~~] instruction to prevent the use of tobacco;

(6) In SECTION 2 of the bill, add the following new Subdivision (5), Subsection (c), Section 28.004, Education Code (page 2, between lines 19 and 20), insert the following:

(5) The local school health and nutrition advisory council shall develop and recommend to the trustees a written nutrition policy for the school district designed to prevent obesity, cardiovascular disease, Type 2 diabetes. In addition to the nutrient content standards required by federal law, each nutrition policy shall include:

(A) minimum standards to restrict food products that contain excessive amounts of fat and saturated fat per serving;

(B) the adoption of menus that increase the weekly serving of fresh fruit and vegetables and increase the weekly servings of whole grain foods; and

(C) recommendations that set age-appropriate portion controls.

(7) In SECTION 2 of the bill, in proposed Subdivision (2), Subsection (k), Section 28.004, Education Code (page 4, line 14), between "district's" and "school", insert "local".

(8) In SECTION 2 of the bill, in proposed Subdivision (2), Subsection (k), Section 28.004, Education Code (page 4, line 14), between "health" and "advisory", insert "and nutrition".

(9) In SECTION 2 of the bill, in proposed Subdivision (2), Subsection (k), Section 28.004, Education Code (page 4, line 16), between "with" and "agency", insert "state and federal law, and".

(10) Between SECTIONS 3 and 4 of the bill (page 5, between lines 18 and 19), insert the following new SECTION to read as follows:

SECTION 4. Subchapter A, Chapter 38, Education Code, is amended by adding Section 38.017 to read as follows:

Sec. 38.017. VENDING MACHINES IN SCHOOLS. (a) Each school district shall ensure that any vending machine at an elementary school in the district is inaccessible to students.

(b) A school district that participates in the federal school meal program shall ensure that each vending machine at a middle school, junior high school, or high school in the district that is accessible to students is made inoperable during each student meal period at the school.

(11) In existing SECTION 4 of the bill (page 5, line 19), strike "SECTION 4." and substitute "SECTION 5."

Representative Truitt moved to table Amendment No. 1.

(Hegar in the chair)

A record vote was requested.

The vote of the house was taken on the motion to table Amendment No. 1 and the vote was announced yeas 61, nays 62.

A verification of the vote was requested and was granted.

The roll of those voting yea and nay was again called and the verified vote resulted, as follows (Record 746): 57 Yeas, 51 Nays, 3 Present, not voting.

Yeas — Allen; Bohac; Bonnen; Brown, B.; Brown, F.; Casteel; Cook, B.; Corte; Crabb; Dawson; Denny; Deshotel; Driver; Eissler; Ellis; Farabee; Flynn; Geren; Goolsby; Griggs; Grusendorf; Haggerty; Hardcastle; Harper-Brown; Heflin; Hilderbran; Hodge; Homer; Howard; Hunter; Hupp; Isett; Jones, D.;

Jones, J.; Keffer, B.; Keffer, J.; King; Kolkhorst; Krusee; Kuempel; Laubenberg; Lewis; Marchant; McCall; McClendon; McReynolds; Nixon; Paxton; Phillips; Quintanilla; Riddle; Solomons; Taylor; Truitt; Wohlgemuth; Wong; Zedler.

Nays — Alonzo; Baxter; Branch; Callegari; Capelo; Castro; Chavez; Chisum; Cook, R.; Dutton; Edwards; Eiland; Elkins; Gallego; Garza; Gattis; Goodman; Guillen; Gutierrez; Hamilton; Hamric; Hartnett; Hochberg; Hopson; Hughes; Keel; Madden; Menendez; Mercer; Merritt; Miller; Morrison; Olivo; Peña; Pickett; Pitts; Puente; Raymond; Reyna; Ritter; Rose; Seaman; Smith, T.; Smith, W.; Solis; Stick; Talton; Turner; Van Arsdale; West; Wilson.

Present, not voting — Mr. Speaker; Flores; Hegar(C).

Absent, Excused — Crownover; Davis, J.; Hope.

Absent — Bailey; Berman; Burnam; Campbell; Canales; Christian; Coleman; Davis, Y.; Delisi; Dukes; Dunnam; Escobar; Farrar; Giddings; Hill; Jones, E.; Laney; Luna; Mabry; Martinez Fischer; Moreno, J.; Moreno, P.; Mowery; Naishtat; Noriega; Oliveira; Rodriguez; Smithee; Swinford; Telford; Thompson; Uresti; Villarreal; Wise; Wolens; Woolley.

The speaker stated that the motion to table prevailed by the above vote.

(Speaker in the chair)

LEAVES OF ABSENCE GRANTED

The following members were granted leaves of absence for the remainder of today because of illness:

Berman on motion of Griggs.

Hill on motion of Crabb.

Uresti on motion of Gallego.

The following member was granted leave of absence for the remainder of today because of a family emergency:

E. Jones on motion of Hamric.

The following members were granted leaves of absence for the remainder of today because of important business:

Delisi on motion of Kuempel.

Giddings on motion of Goolsby.

The following member was granted leave of absence for the remainder of today because of important business in the district:

Martinez Fischer on motion of Hopson.

SB 1357 - (consideration continued)

SB 1357 was passed to third reading. (Branch, Eissler, Marchant, and Solomons recorded voting no)

LEAVES OF ABSENCE GRANTED

The following members were granted leaves of absence for the remainder of today because of illness:

Bailey on motion of Hochberg.

Luna on motion of Garza.

The following member was granted leave of absence for the remainder of today because of important business:

Turner on motion of Raymond.

SB 1336 ON SECOND READING (Talton - House Sponsor)

SB 1336, A bill to be entitled An Act relating to the liability of a criminal defendant and the defendant's sureties on a personal bond or bail bond and to certain procedures in connection with bond forfeiture.

Amendment No. 1

Representative Talton offered the following amendment to **SB 1336**:

Amend **SB 1336** by adding the following appropriately numbered SECTIONS and renumbering the SECTIONS of the bill accordingly:

SECTION _____. Section 1704.001, Occupations Code, is amended by amending Subdivision (4) and adding Subdivision (4-a) to read as follows:

(4) "Bonding business" means the solicitation, negotiation, or execution of a bail bond by a bail bond surety.

(4-a) "Final judgment" means a judgment that disposes of all issues and parties in a case.

SECTION _____. Section 1704.053, Occupations Code, is amended to read as follows:

Sec. 1704.053. BOARD COMPOSITION. A board consists of:

(1) the sheriff or a designee from the sheriff's office who must be the sheriff's administrator or a deputy sheriff of the rank of at least sergeant;

(2) a district judge of the county having jurisdiction over criminal matters and designated by the presiding judge of the administrative judicial district;

(3) the county judge, a member of the commissioners court designated by the county judge, or a designee approved by the commissioners court;

(4) a judge of a county court or county court at law in the county having jurisdiction over criminal matters and designated by the commissioners court;

(5) the district attorney or an assistant district attorney designated by the district attorney;

(6) a licensed bail bond surety or agent for a corporate surety in the county elected under Section 1704.0535, or a bail bond surety or agent for a corporate surety licensed in the county who is designated by the elected surety or agent [~~by other licensed bail bond sureties in the county~~];

(7) a justice of the peace;

- (8) the district clerk or the clerk's designee;
- (9) the county clerk or the clerk's designee, if the county clerk has responsibility over criminal matters;
- (10) if appointed by the board, a presiding judge of a municipal court in the county;
- (11) if the county's principal municipality designates a presiding judge in the municipal court system, the presiding judge or a municipal judge from the system designated by the presiding judge; and
- (12) the county treasurer or the treasurer's designee or, if appointed by the commissioners court in a county that does not have a county treasurer, the person designated by the county commissioners court to perform the duties of the county treasurer.

SECTION _____. Subchapter B, Chapter 1704, Occupations Code, is amended by adding Section 1704.0535 to read as follows:

Sec. 1704.0535. ELECTION OF BAIL BOND SURETY BOARD MEMBER. (a) The board shall annually conduct a secret ballot election to elect the member of the board who serves as the representative of licensed bail bond sureties by electing a licensed bail bond surety or agent for a corporate surety board member.

(b) Each individual licensed in the county as a bail bond surety or agent for a corporate surety is entitled to cast one vote for each license held.

SECTION _____. Section 1704.054, Occupations Code, is amended by adding Subsection (c) to read as follows:

(c) The presiding officer may vote on any board matter.

SECTION _____. Section 1704.105, Occupations Code, is amended to read as follows:

Sec. 1704.105. LICENSED BAIL BOND SURETY LIST. (a) A board shall post in each court having criminal jurisdiction in the county, and shall provide to each local official responsible for the detention of prisoners in the county, a current list of each licensed bail bond surety and each licensed agent of a corporate ~~[the bail bond]~~ surety in the county.

(b) A list of each licensed bail bond surety and each licensed agent of a corporate surety in a county must ~~[may]~~ be displayed at each location where prisoners are examined, processed, or confined.

SECTION _____. Section 1704.108, Occupations Code, is amended to read as follows:

Sec. 1704.108. NOTIFICATION OF DEFAULT BY CORPORATION. A board shall promptly notify the Texas Department of Insurance ~~if [of a default by]~~ a corporation fails to pay a judgment of forfeiture as provided by Section 1704.204(a) ~~[on a financial obligation undertaken by the corporation in the county].~~

SECTION _____. Section 1704.109, Occupations Code, is amended to read as follows:

Sec. 1704.109. SOLICITATION AND ADVERTISEMENT. (a) A board by rule may regulate solicitations or advertisements by or on behalf of bail bond sureties ~~[license holders]~~ to protect:

- (1) the public from:
 - (A) harassment;
 - (B) [5] fraud;
 - (C) [~~5~~] misrepresentation; or
 - (D) threats to public safety; or
- (2) the safety of law enforcement officers.

(b) A bail bond surety, an agent of a corporate surety, or an employee of the surety or agent may not make, cause to be made, or benefit from unsolicited contact:

(1) through any means, including in person, by telephone, by electronic methods, or in writing, to solicit bonding business related to an individual with an outstanding arrest warrant that has not been executed, unless the bail bond surety or agent for a corporate surety has an existing bail bond on the individual; or

(2) in person or by telephone to solicit bonding business:

(A) that occurs between the hours of 9 p.m. and 9 a.m.; or

(B) within 24 hours after:

(i) the execution of an arrest warrant on the individual; or

(ii) an arrest without a warrant on the individual.

(c) This section does not apply to a solicitation or unsolicited contact related to a Class C misdemeanor.

SECTION _____. Section 1704.151, Occupations Code, is amended to read as follows:

Sec. 1704.151. LICENSE REQUIRED. Except as provided by Section 1704.163, a person may not act as a bail bond surety or as an agent for a corporate surety in the county unless the person holds a license issued under this chapter.

SECTION _____. Section 1704.152(a), Occupations Code, is amended to read as follows:

(a) To be eligible for a license under this chapter, an individual, including an agent designated by a corporation in an application, must:

(1) be a resident of this state and a citizen of the United States;

(2) be at least 18 years of age;

(3) possess the financial resources required to comply with Section 1704.160, unless the individual is acting only as agent for a corporation holding a license under this chapter; and

(4) have, in the two years preceding the date a license application is filed:

(A) at least one year of continuous work experience in the bail bond business; and

(B) completed in person at least eight hours of continuing legal education in criminal law courses or bail bond law courses that are approved by the State Bar of Texas and that are offered by an accredited institution of higher education in in [accredited by] the state.

SECTION _____. Sections 1704.154(b) and (d), Occupations Code, are amended to read as follows:

(b) The application must:

- (1) be in a form and contain the information prescribed by the board;
- (2) state:
 - (A) the applicant's name, age, and address;
 - (B) if the applicant is a corporation, whether the applicant is:
 - (i) chartered or admitted to do business in this state; and
 - (ii) qualified to write fidelity, guaranty, and surety bonds under the Insurance Code;
 - (C) the name under which the bail bond business will be conducted, including a bail bond business that is conducted by an agent of a corporation;
 - (D) each place, including the street address and municipality, at which the business will be conducted; and
 - (E) the amount of cash or the cash value of a certificate of deposit or cashier's check that the applicant intends to deposit with the county treasurer if the applicant's application is approved or, if the applicant is an individual intending to execute nonexempt real property in trust to the board, the value of the real property;
- (3) if the applicant is an individual, be accompanied by a list, as required by Section 1704.155, of nonexempt real property owned by the applicant that the applicant intends to execute in trust to the board if the applicant's application is approved; and
- (4) be accompanied by:
 - (A) the applicant's complete, sworn financial statement;
 - (B) the applicant's declaration that the applicant will comply with this chapter and the rules adopted by the board;
 - (C) three letters of recommendation, each from a person who:
 - (i) is reputable; and
 - (ii) has known the applicant or, if the applicant is a corporation, the agent designated by the corporation in the application for at least three years;
 - (D) a \$500 filing fee;
 - (E) a photograph of the applicant or, if the applicant is a corporation, of the agent designated by the corporation in the application;
 - (F) a set of fingerprints of the applicant or, if the applicant is a corporation, of the agent designated by the corporation in the application taken by a law enforcement officer designated by the board;
 - (G) if the applicant is or has been licensed under this chapter in another county:
 - (i) a list of each county in which the applicant holds a license; and
 - (ii) a statement by the applicant [~~that~~], as of the date of the application, of any [the applicant has no unpaid] final judgments that have been unpaid for more than 30 days and that arose directly or indirectly from a bail bond executed by the applicant as a surety or as an agent for a surety [of forfeiture against the applicant in any county in which the applicant holds or has held a license]; and

(H) if the applicant is a corporation, a statement by the designated agent, as of the date of the application, of any [unpaid] final judgments that have been unpaid for more than 30 days and that arose directly or indirectly from [of forfeiture on] any bond executed by the agent as a surety or as an agent for a surety.

(d) Until payment of the final judgment, [The existence of] an unpaid final judgment disclosed under Subsection (b)(4)(G)(ii) or (b)(4)(H) bars [may not bar] licensure for the applicant unless the applicant has deposited with the court cash or a supersedeas bond in the amount of the final judgment pending:

(1) a ruling on a timely filed motion for a new trial; or

(2) an appeal [but may be considered by the board in determining whether to grant a license to the corporation with that agent].

SECTION _____. Section 1704.155, Occupations Code, is amended to read as follows:

Sec. 1704.155. REAL PROPERTY LIST. A list of nonexempt real property required under Section 1704.154(b)(3) must, for each parcel listed, include:

(1) a legal description of the property that would be sufficient to convey the property by general warranty deed;

(2) a current statement from each taxing unit authorized to impose taxes on the property showing[-

~~(A)] that there is no outstanding tax lien against the property;~~
[and]

(3) at the option of the applicant, either ~~(B)~~ the property's:

(A) net value [of the property] according to a current appraisal made by a real estate appraiser who is a member in good standing of a nationally recognized professional appraiser society or trade organization that has an established code of ethics, educational program, and professional certification program; or

(B) value according to a statement from the county from the county's most recent certified tax appraisal roll;

(4) ~~(3)~~ a statement by the applicant that, while the property remains in trust, the applicant:

(A) agrees to pay the taxes on the property;

(B) will not further encumber the property unless the applicant notifies the board of the applicant's intent to encumber the property and the board permits the encumbrance; and

(C) agrees to maintain insurance on any improvements on the property against damage or destruction in the full amount of the value claimed for the improvements;

(5) ~~(4)~~ a statement of whether the applicant is married; and

(6) ~~(5)~~ if the applicant is married, a sworn statement from the applicant's spouse agreeing to transfer to the board, as a part of the trust, any right, title, or interest that the spouse may have in the property.

SECTION _____. Section 1704.159(a), Occupations Code, is amended to read as follows:

(a) After the hearing under Section 1704.158, the board shall enter an order conditionally approving the application unless [if] the board determines that a ground exists [does not exist] to deny the application. If the board determines that a ground exists to deny the application, the board shall enter an order denying the application.

SECTION _____. Sections 1704.160(b) and (c), Occupations Code, are amended to read as follows:

(b) A deposit made under Subsection (a)(1)(A) or (a)(2) may not be less than \$50,000. A corporation must make a separate deposit for each license granted to it in a county. A deposit made to a county with a population of less than 250,000 shall be placed in a fund known as a bail security fund.

(c) At the option of the applicant, the [The] property executed in trust under Subsection (a)(1)(B) must be valued in the amount indicated by:

(1) [on] an appraisal by a real estate appraiser who is a member in good standing of a nationally recognized professional appraiser society or trade organization that has an established code of ethics, educational program, and professional certification program; or

(2) the county's most recent certified tax appraisal roll.

SECTION _____. Section 1704.162, Occupations Code, is amended by amending Subsection (d) and adding Subsection (g) to read as follows:

(d) A board shall [may] approve an application for renewal if:

(1) the applicant's current license is not suspended or revoked;

(2) the application complies with the requirements of this chapter; and

(3) the board does not determine that a ground exists to deny the application.

(g) The board may disapprove an application only by entering an order.

SECTION _____. Section 1704.202(d), Occupations Code, is amended to read as follows:

(d) The records required under this section shall be:

(1) made available for inspection and copying at the board's expense on demand by the board or an authorized representative of the board;

(2) maintained at the license holder's office location in the county; and

(3) maintained for not less than four years after the conclusion of the case for which the bond was given.

SECTION _____. Section 1704.204(a), Occupations Code, is amended to read as follows:

(a) A person [license holder] shall pay a final judgment on a forfeiture of a bail bond executed by the person [license holder] not later than the 31st [30th] day after the date of the final judgment unless a timely motion for a new trial has been filed. If a timely motion for a new trial or a notice of appeal has been filed, the person shall:

(1) pay the judgment not later than the 31st day after the date the motion is overruled, if the motion is overruled; or

(2) deposit with the court cash or a supersedeas bond in the amount of the final judgment, if an appeal is filed.

SECTION _____. Section 1704.207(a), Occupations Code, is amended to read as follows:

(a) A person executing a bail bond may ~~[not]~~ surrender the principal for whom the bond is executed by ~~[unless]~~:

(1) if the principal is represented by an attorney, notifying the principal's attorney of the person's intention to surrender the principal in a manner provided by Rule 21a, Texas Rules of Civil Procedure; and

(2) filing an affidavit with the court or magistrate before which the prosecution is pending that states:

(A) the person's intention to surrender the principal;

(B) the court and cause number of the case;

(C) the name of the defendant;

(D) the offense with which the defendant is charged;

(E) the date of the bond;

(F) the reason for the intended surrender; and

(G) that notice of the person's intention to surrender the principal has been provided as required by this subsection ~~[the person executes and files with the court having jurisdiction over the case an affidavit stating:~~

~~[(A) the date the bond was executed;~~

~~[(B) the fee paid for the bond; and~~

~~[(C) the reason for the surrender; and~~

~~[(2) the court authorizes the surrender in writing].~~

SECTION _____. Subchapter F, Chapter 1704, Occupations Code, is amended by adding Section 1704.2535 to read as follows:

Sec. 1704.2535. FAILURE TO PAY FINAL JUDGMENT BY BAIL BOND SURETY. (a) The board or its authorized representative shall immediately notify the sheriff if a bail bond surety fails to pay a final judgment of forfeiture as provided by Section 1704.204(a).

(b) After receiving notification, the sheriff may not accept any bonds from the bail bond surety until the surety pays the judgment.

(c) The bail bond surety's privilege to post bonds is reinstated when the bail bond surety pays the judgment.

(d) A board is not required to provide notice or a hearing before making the notification required by this section.

SECTION _____. Section 1704.254(a), Occupations Code, is amended to read as follows:

(a) Notice of a hearing to suspend or revoke a license under this chapter must:

(1) be sent by certified mail to the last known address of the license holder not later than the 11th day before the date of the hearing; ~~[and]~~

(2) state each alleged violation of this chapter; and

(3) include a copy of any written complaint on which the hearing will be based.

SECTION _____. Section 1704.255, Occupations Code, is amended by adding Subsection (c) to read as follows:

(c) The board may not assert a reason on appeal for an action by the board that differs from the reasons specified in the board's notice of hearing under Section 1704.254.

SECTION _____. Section 1704.301, Occupations Code, is amended to read as follows:

Sec. 1704.301. RETURN OF SECURITY [IN EXCESS OF RISK PROHIBITED]. A bail bond surety [license holder] may not hold security for the payment of a bail bond fee or [and] to assure the principal's appearance in court for more than 30 days after the date on which the owner of the security:

(1) requests return of the security in writing; and

(2) submits to the bail bond surety written evidence of the conclusion of:

(A) the payment agreement; or

(B) all of the criminal cases for which the security was given [if the amount of the security held exceeds the particular risk involved in the case].

SECTION _____. Section 1704.303(b), Occupations Code, as amended by Chapters 1262 and 1461, 77th Legislature, Regular Session, 2001, is reenacted to read as follows:

(b) A person may not advertise as a bail bond surety in a county unless the person holds a license issued under this chapter by a bail bond board in that county. A person does not violate this subsection if the person places an advertisement that appears in more than one county and:

(1) the advertisement clearly indicates the county or counties in which the person holds a license issued under this chapter; and

(2) any local telephone number in the advertisement is a local number only for a county in which the person holds a license issued under this chapter.

SECTION _____. Section 1704.202(c), Occupations Code, is repealed.

SECTION _____. The changes in law made by this Act regarding the composition or election of a county bail bond board do not affect the entitlement of a member serving on a board immediately before September 1, 2003, to continue to serve and function as a member of the board for the remainder of the member's term. Those changes in law apply only to a member appointed or elected on or after September 1, 2003.

SECTION _____. (a) Sections 1704.159, 1704.160, and 1704.162, Occupations Code, as amended by this Act, apply only to an application filed on or after the effective date of this Act. An application filed before the effective date of this Act is governed by the law in effect on the day the application was filed, and the former law is continued in effect for that purpose.

(b) Section 1704.254, Occupations Code, as amended by this Act, applies only to a notice that occurs on or after the effective date of this Act. A notice that occurs before the effective date of this Act is governed by the law in effect on the day the notice occurs, and the former law is continued in effect for that purpose.

(c) Section 1704.255, Occupations Code, as amended by this Act, applies only to an appeal filed on or after the effective date of this Act. An appeal filed before the effective date of this Act is governed by the law in effect on the day the appeal was filed, and the former law is continued in effect for that purpose.

SECTION _____. (a) Section 1704.303, Occupations Code, as amended by this Act, applies only to an offense committed on or after the effective date of this Act.

(b) An offense committed before the effective date of this Act is covered by the law in effect when the offense was committed, and the former law is continued in effect for that purpose.

(c) For purposes of this section, an offense is committed before the effective date of this Act if any element of the offense occurs before that date.

Amendment No. 2

Representative Lewis offered the following amendment to Amendment No. 1:

Amend Amendment No. 1 by Talton to **SB 1336** as follows:

(1) In amended Section 1704.053, Occupations Code, at the end of Subdivision (11) (page 2, line 13), strike "and" and substitute "[~~and~~]".

(2) In amended Section 1704.053, Occupations Code, at the end of Subdivision (12), strike the period and substitute "; and

(13) a criminal defense attorney practicing in the county and elected by other attorneys whose principal places of business are located in the county and who are not legally prohibited from representing criminal defendants or the designee of the criminal defense attorney."

Amendment No. 2 was adopted without objection.

Amendment No. 1, as amended, was adopted without objection.

SB 1336, as amended, was passed to third reading.

HB 1567 - STATEMENT OF VOTE

On May 23, I was shown voting no on Record No. 677 (adoption of the conference committee report). I intended to vote yes.

Hilderbran

(Hegar in the chair)

ADJOURNMENT

Representatives Raymond and Chisum moved that the house adjourn until 10 a.m. today in memory of Enrique A. Mejia, Jr. of Laredo and Dennis Cavalier of Pampa.

The motion prevailed without objection.

The house accordingly, at 1:01 a.m. Tuesday, May 27, adjourned until 10 a.m. today.

ADDENDUM

REFERRED TO COMMITTEES

The following bills and joint resolutions were today laid before the house, read first time, and referred to committees, and the following resolutions were today laid before the house and referred to committees. If indicated, the chair today corrected the referral of the following measures:

List No. 1

HCR 263 (By Isett, D. Jones, and Hilderbran), Congratulating Jack Dale on his 50-year association with Texas Tech University as a sports announcer.

To Rules and Resolutions.

HR 1469 (By Dawson), Congratulating Mary Belle Ingram of Bay City on her receipt of the Ruth Lester Lifetime Achievement Award from the Texas Historical Commission.

To Rules and Resolutions.

HR 1470 (By Haggerty), Honoring Vaneta Moore Ward of Houston on her 80th birthday.

To Rules and Resolutions.

HR 1471 (By Wong), Honoring Kenneth and Lucille Wood of Houston on their 60th wedding anniversary.

To Rules and Resolutions.

HR 1472 (By Wong), Honoring the Duncan family of Houston for their philanthropic contribution to the Institute of Molecular Medicine for the Prevention of Human Diseases.

To Rules and Resolutions.

HR 1474 (By Corte), In memory of Jack Marion McGinnis of Boerne.

To Rules and Resolutions.

HR 1475 (By Bohac), Honoring the Sam Houston Area Council of the Boy Scouts of America and congratulating them on the opening of the Cockrell Scout Center in Houston.

To Rules and Resolutions.

HR 1476 (By B. Brown), Congratulating Maggie Blue Hutchins and Adam Martin Wagner of San Marcos on their recent engagement.

To Rules and Resolutions.

HR 1477 (By B. Brown), Honoring staff members who assist in the duties on the house floor.

To Rules and Resolutions.

HR 1479 (By Bohac), Honoring Jim Mueller of Houston for his service in the Boy Scouts of America.

To Rules and Resolutions.

HR 1482 (By Goodman), Honoring High Point Church in Arlington for its sponsorship of Patriotic Salute 2003: Enduring Freedom.

To Rules and Resolutions.

HR 1483 (By Hopson), Honoring J. N. Grimes and the late Ray Morrow, creators of the Dairy Queen "Dude" and "Country Basket."

To Rules and Resolutions.

HR 1485 (By Capelo), Honoring the life of U.S. Army First Sergeant Joe Garza.

To Rules and Resolutions.

HR 1486 (By Wilson), Honoring the Right Reverend Claude Edward Payne, Episcopal bishop of the Diocese of Texas, on the occasion of his retirement.
To Rules and Resolutions.

SIGNED BY THE SPEAKER

The following bills and resolutions were today signed in the presence of the house by the speaker:

House List No. 47

HB 623, HB 2533, HB 2905, HB 3028, HB 3555, HJR 59, HJR 62

Senate List No. 37

SB 349, SB 367, SB 368, SB 369, SB 371, SB 372, SB 374, SB 526, SB 607, SB 692, SB 704, SB 719, SB 804, SB 822, SB 842, SB 892, SB 899, SB 965, SB 995, SB 1018, SB 1071, SB 1282, SB 1356, SB 1418, SB 1489

MESSAGES FROM THE SENATE

The following messages from the senate were today received by the house:

Message No. 1

MESSAGE FROM THE SENATE
SENATE CHAMBER
Austin, Texas
Monday, May 26, 2003

The Honorable Speaker of the House
House Chamber
Austin, Texas

Mr. Speaker:

I am directed by the senate to inform the house that the senate has taken the following action:

THE SENATE HAS PASSED THE FOLLOWING MEASURES:

HB 21 Cortez SPONSOR: Nelson
Relating to admission to and discharge from facilities for voluntary inpatient mental health services for persons younger than 18 years of age.

HB 54 Wolens SPONSOR: Shapiro
Relating to certain early voting by mail procedures and to the prevention of voting fraud generally; providing criminal penalties.
(Committee Substitute)

HB 1387 Hamric SPONSOR: Lindsay
Relating to the regulation of on-premise signs in certain counties.
(Committee Substitute/Amended)

HB 1619 Laubenberg SPONSOR: Estes
Relating to tuition payments by certain school districts.

HB 1699 Kuempel SPONSOR: Averitt
Relating to the liability of certain highway, road, and street contractors.

HB 2185 Geren SPONSOR: Brimer
 Relating to the issuance of a certificate of death by catastrophe.
 (Committee Substitute)

HB 2529 Madden SPONSOR: Estes
 Relating to providing a grace period for enforcement actions against a small water supply, sewer, wastewater treatment, or solid waste disposal service being integrated into a regional service.
 (Amended)

HB 2622 Allen SPONSOR: Deuell
 Relating to certain governmental agency and private entity access to and use of criminal history record information maintained by the Department of Public Safety.
 (Amended)

HCR 9 Gallego SPONSOR: Madla
 In memory of Amaro Cardona of Uvalde.

THE SENATE HAS CONCURRED IN HOUSE AMENDMENTS TO THE FOLLOWING MEASURES:

SB 407 (31 Yeas, 0 Nays)

SB 745 (viva-voce vote)

SB 1429 (31 Yeas, 0 Nays)

SB 1526 (viva-voce vote)

THE SENATE HAS GRANTED THE REQUEST OF THE HOUSE FOR THE APPOINTMENT OF A CONFERENCE COMMITTEE ON THE FOLLOWING MEASURES:

HB 638
 Senate Conferees: Armbrister - Chair/Averitt/Harris/Jackson/Ogden

THE SENATE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

SB 521 (31 Yeas, 0 Nays)

Respectfully,
 Patsy Spaw
 Secretary of the Senate

Message No. 2

MESSAGE FROM THE SENATE
 SENATE CHAMBER
 Austin, Texas
 Monday, May 26, 2003 - 2

The Honorable Speaker of the House
 House Chamber
 Austin, Texas
 Mr. Speaker:

I am directed by the senate to inform the house that the senate has taken the following action:

THE SENATE HAS PASSED THE FOLLOWING MEASURES:

HB 212 Keel SPONSOR: Wentworth
Relating to the regulation of political signs by a municipality.
(Committee Substitute/Amended)

HB 329 Naishtat SPONSOR: Fraser
Relating to the regulation of mold assessors and remediators, civil liability for mold remediation, and insurance coverage on mold claims; providing civil and administrative penalties.
(Committee Substitute/Amended)

HB 335 Hamric SPONSOR: Lindsay
Relating to the public sale of certain real property; providing penalties.
(Committee Substitute)

HB 562 McCall SPONSOR: Duncan
Relating to the collection and maintenance of DNA samples taken from certain offenders.

HB 567 Berman SPONSOR: Deuell
Relating to the expulsion of a public school student who commits certain criminal acts against another student.
(Committee Substitute)

HB 724 Hochberg SPONSOR: Jackson
Relating to civil liability of alcoholic beverage providers for providing alcoholic beverages to certain individuals.

HB 728 Delisi SPONSOR: Duncan
Relating to the continuous eligibility of certain children for medical assistance benefits.

HB 803 Geren SPONSOR: Duncan
Relating to the authority of political subdivisions to exercise the power of eminent domain to acquire rights to water and the assessment of damages in condemnation proceedings initiated for that purpose.
(Committee Substitute)

HB 1020 Villarreal SPONSOR: Zaffirini
Relating to the promotion of dependent care benefits for employees.
(Amended)

HB 1338 Taylor SPONSOR: Averitt
Relating to the amount of homeowners insurance or other residential property insurance required in connection with certain financing arrangements.

HB 1518 Dutton SPONSOR: West
Relating to accountability for public school dropouts and students at risk of dropping out of school and to the evaluation of school campuses.
(Committee Substitute/Amended)

HB 1670 Allen SPONSOR: Whitmire

Relating to medically recommended intensive supervision of certain inmates of the Texas Department of Criminal Justice and to the release pending deportation of certain inmates of the department.

(Committee Substitute)

HB 1882 Deshotel SPONSOR: Lucio
Relating to incentives for certain high schools and high school students to participate in the Early High School Graduation Scholarship program.
(Amended)

HB 2071 Pitts SPONSOR: Averitt
Relating to variances granted by the Commission on Jail Standards.
(Amended)

HB 2300 Gallego SPONSOR: Madla
Relating to the regulation of certain water wells by the Jeff Davis County Underground Water Conservation District.

HB 2320 Flores SPONSOR: Lucio
Relating to administration by the Texas Department of Agriculture of quarantined articles.
(Committee Substitute)

HB 2377 Hill SPONSOR: Ogden
Relating to the transfer of property under the jurisdiction of the Texas Department of Transportation.
(Amended)

HB 2518 Dawson SPONSOR: Jackson
Relating to the kinds of contracts of the Brazoria County Conservation and Reclamation District Number Three that are subject to competitive bidding.

HB 2540 Menendez SPONSOR: Van de Putte
Relating to granting a defense base development authority the power of eminent domain.
(Amended)

HB 2703 Bailey SPONSOR: Gallegos
Relating to the testing of certain physical evidence, crime laboratory accreditation, and the admissibility of evidence examined or tested by a crime laboratory.
(Committee Substitute)

HB 3175 Pitts SPONSOR: Bivins
Relating to the authority of the comptroller of public accounts to manage cash flow by transferring available cash between funds in the custody or under the management of the comptroller; making an appropriation.
(Amended)

HB 3304 Guillen SPONSOR: Zaffirini
Relating to the appointment and duties of an associate judge in the 229th Judicial District.
(Committee Substitute/Amended)

HB 3517 Gallego SPONSOR: Madla

Relating to certain correctional facilities that house only federal prisoners.

HB 3561 Bonnen SPONSOR: Jackson
Relating to public works contracts of the Angleton-Danbury Hospital District.

HB 3605 Keffer, Jim SPONSOR: Averitt
Relating to the jurisdiction of a county court at law in Hood County.

HJR 68 Hupp SPONSOR: Fraser
Proposing a constitutional amendment authorizing the Veterans' Land Board to make certain payments on revenue bonds and to use assets in certain funds to provide for veterans homes.
(Amended)

SCR 57 Bivins
Extending sincere condolences to the bereaved family of Stanley Allen Wiley.

THE SENATE HAS ADOPTED THE FOLLOWING CONFERENCE
COMMITTEE REPORTS:

HB 1567 (24 Yeas, 7 Nays)

Respectfully,
Patsy Spaw
Secretary of the Senate

APPENDIX

STANDING COMMITTEE REPORTS

Favorable reports have been filed by committees as follows:

May 25

Natural Resources - **SB 1947**

Public Education - **SB 1444**

ENROLLED

**May 25 - HB 156, HB 157, HB 284, HB 623, HB 1197, HB 1704,
HB 2668, HB 2905, HB 3028, HB 3366, HB 3555, HJR 59, HJR 62**

